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LIFE & TIMES *Summer edition*

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Army yet to reach storm victims

EXPLOSION IN PUBLIC SECTOR WORKFORCE

# 'Bureaucrat state' caught in debt grip

EXCLUSIVE

PATRICK COMMINS
ECONOMICS CORRESPONDENT

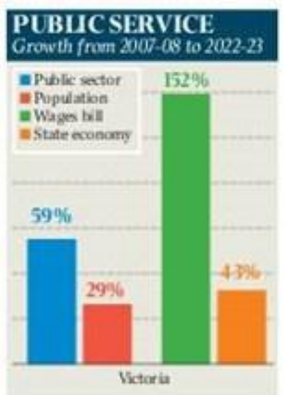
The number of Victorian government employees has jumped by 60 per cent over the past 15 years and at double the pace of population growth, prompting experts to warn the bloated public service will make it harder to repair the state's shattered budget and pay down the highest debt levels in the country.

The rate of growth in Victorian state workers far outstrips the experience of NSW, where consecutive Liberal governments helped contain the increase in headcount to 28 per cent between 2008 and 2023, not far above a 20 per cent rise in population over the period, an analysis of Australian Bureau of Statistics figures shows.

Growth in the public sector workforce has also been large in Queensland and Western Australia, the data shows, although the roughly 40 per cent increase since 2008 in both states (against population growth of about 30 per cent) still falls far short of the Victorian figures.

Boosted spending on Victoria's public service has produced higher staffing per capita in key services such as education and policing, but the additional funding has produced a mixed report card on whether Victorians experience better services or living standards than other states.

S&P Global Ratings analyst Anthony Walker said Victoria's wages bill as measured in budget cash flows has risen steadily since the Labor government came to power in 2014, jumping by 65 per cent between 2015 and 2023.




Mr Walker said the global credit ratings agency had been warning Victoria's government since 2016 that "we were concerned about the overall growth in the wages bill, which was being masked by very strong migration and that was driving revenue growth".

"Our concern was that if revenues did slow down, the wages bill would be very difficult for the government to address," he said.

Mr Walker said that "baking in" much higher spending on public servant salaries had undermined the state's fiscal resilience, which was exposed when the pandemic hit.

"At that stage we were not predicting Covid, but this was why we had a two-notch downgrade in Victoria (in December 2020 against a smaller downgrade in NSW) – because of the persistent increase in employee expense in Victoria compared to other states," he said.

Mr Walker said Victoria was in a weaker fiscal position than other states, and that "the fiscal recovery does require a lot of savings measures, including headcount reductions".

The annual average rise of 7.2 per cent a year in state employees' total wages contrasted sharply with Victoria's most recent budget projections that the wages bill would only climb by 3 per cent per annum in the forward estimates.

"They have for a number of years said they would get on top of the wage bill and they have really struggled to do that. Notably, Victoria's May budget included plans to cut as many as 4000 staff from a Victorian public service of about 55,000 people," Mr Walker said.

"These are back-office staff, not teachers. But a reduction of about 10 per cent is a very large number. It's not the first time they have forecast (a much slower rate of growth in wages) and failed to achieve it."

Independent economist Saul Eslake said the political persuasions of the governments in the country's two most populous states over the past 15 years explained the wide gap between growth in state employees in

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COMMENT P4
EDITORIAL P8

# Cummins' wicket ways roll on but Warner kept waiting as a tortuous tail unfolds

GETTY IMAGES

**Australian captain Pat Cummins celebrates the third of his five wickets in Pakistan's first innings of the Third Test at the SCG on Wednesday**

PETER LALOR

Captain fantastic Pat Cummins was at it again – another day, another five-wicket haul – but it wasn't all the fast bowler's day.

It certainly wasn't all Dave Warner's day, which contracted to just the last six balls – but that was enough to deliver the sort of drama we have come to expect from the opener who will retire at the end of this, his 112th Test match, in front of his home crowd.

And it wasn't all Pakistan's day, with most of their top order failing, only to be rescued – and shown up – by some impressive batting from their bowlers.

All in all, it was honours shared on the opening day of the third Test at the SCG on Wednesday.

Cummins made another advance up the list of all-time greats with a dominant performance by an Australian seam attack rated the best in the cricket world. Well almost.

Cummins' 10 wickets in the first Test at the MCG moved him past Graham McKenzie (246) and Richie Benaud (248) and Wednesday's haul now has him two behind Jason Gillespie (259).

A seam bowler who seems to consider swing a little too flashy for his blue-collar approach did for Pakistan star Babar Azam (26) with a scorching delivery that moved late and had the former skipper trapped in front at a critical point.

But as good as Cummins & Co were in the early going, they let a dominant position slide.

With Pakistan reduced to 5-96 soon after lunch, it seemed inevitable that Warner would bat on the opening day of his final Test – but the wait proved much longer than expected. Pakistan bowlers Aamer Jamal (82) and Mir Hamza (7) put on 86 for the last wicket after wicket keeper Mohammed Rizwan (88) and Agha Salman (53) contributed 94 for the sixth wicket and the visitors somehow scrambled their way to 313 runs.

GETTY IMAGES

**Dave Warner comes out to bat for the last over of the day**

The sight of Nathan Lyon running off to pad up had everyone convinced a nightwatchman would deny the crowd of 33,000 the chance to see Warner bat, but he eventually walked onto the SCG with pads on and Usman Khawaja in his wake.

The pair hugged before walking onto the field and Warner was greeted by the Pakistan players who had formed a guard of honour to greet him.

He struck a four off the first ball, survived being bowled by a centimetre or less on the fifth, and lived to bat another day.

Warner's parents, his wife, children and family friends were on hand for the show.

His beloved baggy green, however, is still missing and so he took the field in the morning in the spare the cricket team keeps in the kit for emergencies.

The theft even attracted the attention of Prime Minister Anthony Albanese who called for the baggy green's return.

SPORT P24

# PM flags relief on cost of living

SARAH ISON
GREG BROWN

Anthony Albanese has asked Treasury for advice on how the government can roll out more cost-of-living relief in the May budget without adding to inflation, prompting Labor MPs and unions to call for highly targeted programs to be expanded to provide support for middle income earners.

In his first press conference of the year, the Prime Minister – who signalled there would not be an election until next year – declared cost-of-living was central to his agenda after he was criticised for allowing 2023 to be dominated by the voice to parliament referendum and his overseas trips.

Foreshadowing support for struggling households as part of a government reset, Mr Albanese said he wanted to help people who were "feeling pressure as a result of global inflation".

"I have asked (the departments of) Treasury and Finance to come up with further propositions that we'll consider in the lead-up to the May budget this year," Mr Albanese said.

GAYE GERARD/NCA NEWSWIRE

**Anthony Albanese**

However, the Prime Minister stressed that his government would be cautious about "distributing additional cash" directly to Australians out of fear this could exacerbate inflation, and instead would look at measures such as further subsidies to energy bills.

"If you ... distribute additional cash to people you, potentially make inflation worse and therefore don't help to solve the problem," he said.

"And that's why the energy price relief plan, instead of giving cheques to people, reduced their bills substantially."

Leading economists Chris Richardson and Saul Eslake said it would be difficult to deliver cost-of-living relief that was not inflationary, warning the government against changing the disciplined budget strategy by which it has used revenue to pay off debt.

But Labor MPs welcomed Mr Albanese's cost-of-living focus and called for the expansion of the electricity bill rebate in the last budget, which provided up to $500 relief for concession card holders and people on social security payments.

The MPs also urged the government to use the Senate inquiry into the price setting of supermarkets to take action on the profits enjoyed by Coles and Woolworths.

Tasmanian MP Brian Mitchell said the government needed to

*Continued on Page 4*

# 'Let teens access assisted dying'

EXCLUSIVE

RHIANNON DOWN

The ACT Human Rights Commission has called for teenagers to be allowed to access voluntary assisted dying, arguing that capping the scheme at the age of 18 infringes on young people's right to receive health care "without discrimination".

The territory's Human Rights Commissioner, Penelope Mathew, Children and Young People Commissioner Jodie Griffiths-Cook and Discrimination, Disability, Health and Community Services Commissioner Karen Toohey have argued that terminally ill minors should have the right to "voluntarily end their life with dignity in the same circumstances as adults".

Anti-euthanasia advocate Brendan Long — a former ACT Labor candidate — said it was "scandalous that an agency funded by ACT taxpayers is advocating for children to be offered assisted suicide".

"It is well established that only an adult can give informed consent and it gives mixed messages as we seek to fight the epidemic of youth suicide," he said.

The ACT Labor-Greens government's voluntary assisted dying framework, which is being examined by a parliamentary committee, will form the foundation of the most liberal scheme in the country if it becomes law. It does not have a requirement for a predicted time of death and includes provisions that allow social workers and counsellors to initiate conversations about euthanasia.

ACT Human Rights Minister Tara Cheyne told The Australian in June she was considering allowing teenagers as young as 14 to access the euthanasia scheme. The controversial push was later abandoned with the promise to review the age limit after three years.

*Continued on Page 2*

# Iraq war files for release

Secret cabinet documents that detail how the Howard government decided to go to war in Iraq in 2003 would likely show the National Security Committee listened to advice about the dangers of Saddam Hussein, according to former foreign minister Alexander Downer, who said there was no reason the information should not be made public.

Anthony Albanese pledged that all 78 of the "missing" NSC documents would be released.

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'I'm no food critic but' ... Janet Albrechtsen gets stuck in

# PM demands release of Iraq records

SARAH ISON

Secret cabinet documents that detail how the Howard government decided to go to war in Iraq in 2003 would likely show the national security committee listened to advice about the dangers of Saddam Hussein, according to former foreign minister Alexander Downer, who says there was no reason the information should not be made public.

Anthony Albanese on Wednesday pledged all 78 of the "missing" NSC documents would be released, as long as no one was endangered by the information, warning Labor would "take further action" if the National Archives did not publish the 20-year-old documents.

But Peter Dutton criticised the Prime Minister for focusing on the scandal over the cabinet documents, despite their release being backed by Liberal luminaries John Howard, Peter Costello and Mr Downer.

"Last year, the PM said his News Year's resolution was to 'deal with cost-of-living pressures' but he spent all year obsessed with the Voice," a spokesman for the Opposition Leader said.

"This year, the PM has started the year obsessing over cabinet documents from 20 years ago. Once again, the PM has shown he has no economic plan to address cost of living pressures and is focused on the wrong priorities."

Mr Downer, who was on the national security committee of cabinet when the materials on the war were presented in 2003, said there was "no reason" they should not be released.

He said the Howard government was concerned about Hussein's use of chemical weapons against people in Iraq in the years leading up to 2003, which was "why the whole issue was so substantial".

"We were supposed to get rid of all these chemical weapons and make sure they were not produced anymore," he said. "These issues had all been evolving over not just weeks and months, but years."

Mr Downer said the "context of 9/11" had also heavily informed the decision.

Mr Albanese slammed the Morrison government for its "failure" to properly transfer the files to the archives in 2020, after the Department of Prime Minister and Cabinet confirmed a small number of documents were missing from the transfer due to "administrative oversight".

"The head of the Department of Prime Minister and Cabinet has commenced an independent review that will be conducted by Dennis Richardson, as to how this failure in 2020 to provide all the appropriate documentation occurred," Mr Albanese said.

"Australians have a right to know the basis upon which Australia went to war in Iraq. Australians lost their lives during that conflict and we know that some of the stated reason for going to war was not correct in terms of the weapons of mass destruction that was alleged Iraq had at that time ... and my government believes that this mistake should be corrected."

Mr Albanese dodged questions on whether he believed the documents were missing because of an intentional cover up.

"I'm not aware of the circumstances, obviously. I wasn't a member of the cabinet or the NSC in 2003," he said.

"There is no reason why these documentations should be, with the exception of putting people in danger, should be not released in a transparent way."

But Mr Downer said he was confident the missing documents were purely due to "a bureaucratic stuffup".

"Albanese is just trying to play politics by blaming the Liberals for not releasing these documents. It's childish ..." he said.

National Archives director-general Simon Froude said his agency planned to have a decision on whether to release the documents "within 90 business days".

# 'Allow teenagers to access VAD scheme'

*Continued from Page 1*

In a submission written on behalf of the three commissioners, the ACT Human Rights Commission said the legislation for the most part contained "appropriate safeguards to provide equal access to VAD" but raised concerns that by excluding teenagers it did not respect the rights of young people to have their views taken into account.

"It is the commission's view that this extends to decisions for a child or young person to voluntarily end their life with dignity in the same circumstances as adults: namely where they have a condition that is advanced, progressive and expected to cause their death, where they are suffering intolerably, where they are acting voluntarily, and where they have demonstrated maturity and capacity to make such a decision," the commission said in its submission.

"We recognise that there may need to be additional steps and safeguards for children and young people, particularly where the views of parents and carers differ from the young person or from each other."

The commission raised concerns the bill did not contain provisions for patients who have suffered a "loss of capacity or an inability to communicate" to lodge a prior voluntary directive requesting access to the VAD scheme, conceding that this was fraught with ethical issues.

"The inability of those facing a painful or prolonged death to determine their own future care once they lose capacity may engage the rights to equality and non-discrimination and the right to privacy, due to the lack of autonomy," the commission said.

It said it was worried health practitioners were given just two days to lodge all paperwork after assisting with a terminally ill patient's death.

Advocacy group Exit International's ACT branch described the exclusion of minors from the euthanasia scheme as "nonsense", arguing that assisted dying might be the "only way to mitigate their suffering".

"The bill requires children to suffer when adults need not," the group's submission said.

The Australian Nursing and Midwifery Federation ACT branch has warned about the inclusion of 43 strict liability offences for health workers, saying their inclusion was "excessive and may have direct ramifications in respect of accessibility to VAD in the ACT".

"The ANMF notes the nursing and midwifery workforce ... in the ACT continue to grapple with severe staffing issues," the submission said.

"As such, the ANMF considers it to be not unforeseeable that nursing and midwifery workers (or other healthcare practitioners) could be unable to complete the relevant obligations within two working days, due to circumstances beyond their control."

An ACT government spokesman said it had been "clear about its position on the bill ... in that accessibility for minors will be considered in the statutory review three years from the bill's commencement".

ADAM HEAD

**Bernie Hardiman inside his home that was severely damaged by the Christmas Day storms when the Coomera River flooded**

# Military deployed to help with clean-up

LYDIA LYNCH
MOHAMMAD ALFARES

It's been 10 days since a freak tornado ripped through Queensland's southeast corner and trees are still strewn through the streets, rotting debris is littering homes and thousands remain without power.

About 50 Australian Defence Force will be deployed on Thursday to relieve stretched volunteer crews and help with Queensland's storm clean-up amid growing community anger over the slow response to disaster recovery.

Single father Bernie Hardiman and his six-year-old son BJ returned to their Coomera home, on the northern end of the Gold Coast, on Wednesday to find a gaping hole still in the roof and most of their furniture ruined.

Not waiting for the troops to arrive, Mr Hardiman did what he could to mop up the mess.

"People want help immediately, yes, but we can't expect too much," he said.

"They (authorities) can only do what they can do and these things take planning and time."

Mr Hardiman, who is in temporary accommodation, thinks it will be months before his home is repaired.

"I think I'll be starting from scratch," he said.

Liberal National Party leader David Crisafulli said more help was needed on the ground, given it had been weeks since floods ravaged north Queensland and deadly storms ripped through the southeast.

"If not the army then who? Authorities cannot just leave communities to wither on the vine," he told The Australian.

"The waste and debris I've seen at both ends of the state will remain and indefinitely hinder the recovery unless communities see boots on the ground."

Federal Emergency Management Minister Murray Watt approved the troop deployment on Tuesday after a formal request from Gold Coast mayor Tom Tate was sent on Monday evening.

Mr Tate has defended the decision to delay requesting ADF support because "the focus was about getting through the storm events". The Commonwealth's growing reluctance to send troops follows a defence strategic review which in April warned the ADF's primary objective was "defending Australia" and that natural disasters had already "negatively impacted force preparedness, readiness, and combat effectiveness".

Mr Watt said the Commonwealth had approved the deployment of ADF less than 12 hours after receiving Mr Tate's request and had already sent veteran volunteers from Disaster Ready Australia. Mr Hardiman was among thousands of residents in Queensland's southeast who used Wednesday's break in the weather to survey damage from weeks of wild weather.

More than 7000 properties in the southeast were still without power on Wednesday evening as thousands of residents begin lodging insurance claims.

Insurance giant Suncorp has received a total of 12,500 claims from Queenslanders since November, of which 9500 were home claims.

The SES, which has suffered dwindling volunteer numbers in recent years, has responded to 5370 calls since Christmas Day.

In Far North Queensland, where ex-Tropical Cyclone Jasper dumped metres of rain in mid-December, Douglas Shire mayor Michael Kerr pleaded for the immediate mobilisation of 'hundreds' of ADF troops to help in clean-up efforts.

Speaking from Cairns on Wednesday, Acting Premier Cameron Dick said 650km of state-controlled roads had now been reopened.

"The Far North has copped a big whack, but we are going flat out to get everything up and running again," he said.

# Storms leave thousands without power

TESS McCRACKEN

Wild storms in Victoria have left thousands of homes and businesses without power as regions across the state tackle flash flooding and the aftermath of severe thunderstorms.

Parts of Victoria received up to 50mm of rainfall during Tuesday's storms, with Wangaratta, Ballarat, Bendigo and Euroa among the worst hit communities.

Some 20,000 AusNet customers were left without power after the rain and lightning activity blasted much of the state.

By late Wednesday, 2200 homes remained without power.

As the deluge battered parts of Victoria, 24,000 homes serviced by Powercor were left in the dark and by Wednesday evening about 1500 still had no power.

The company noted Ballarat and surrounding communities were among the hardest-hit areas with 13,000 homes and businesses navigating power outages amid severe storm conditions.

The SES received almost 1000 calls for help in 24 hours following intense rainfall and severe storm conditions.

An SES spokesman said Ballarat was one of the busiest regions on Tuesday evening, with 159 requests for assistance coming from the community.

Wangaratta also remained a busy "unit" on Tuesday evening as the SES responded to 87 calls for help, with a large portion of the incidents resolved with the help of SES Chiltern volunteers.

Nearly 400 calls involved fallen trees on properties and over roads, 260 calls were in relation to flood-related events and 219 calls involved building damage, including trees and limbs falling onto properties.

It is understood 11 flood rescues were conducted during the storms.

Residents in badly affected towns took to Facebook to warn others of dangerous flood conditions as one woman urged Victorians to "avoid going to Bendigo" as she snapped photos of rising flood waters in the Campbells Forest.

The damaging weather continued for the state, as the Bureau of Meteorology warned "severe thunderstorms producing heavy rainfall, flash flooding, damaging winds or large hail" remained a risk across Victoria throughout Wednesday afternoon and urged communities in the eastern ranges and Gippsland hills to be aware of "intense rainfall" that could cause "life-threatening flash flooding".

The bureau predicts thunderstorms could continue to roll across Gippsland and the state's north on Thursday afternoon.

**Floodwaters in the streets of Wangaratta**

# Defence rolls out $36m in bonuses

EXCLUSIVE

SARAH ISON

More than $36m in bonuses for Australian Defence Force staff has so far been ticked off by the Labor government in a bid to bolster the shrinking number of uniformed personnel.

The injection of funding into ADF staffing comes after Labor raised concerns the country was facing a "defence personnel crisis" that required urgent action amid mounting geopolitical tension.

A one-off $50,000 retention bonus will be given from tomorrow to 721 ADF personnel who were approaching the end of their mandatory service period and agreed to stay another three years; 140 eligible staff declined the offer.

A further 1130 offers are still in progress, bringing the total number of eligible officers to 1991 – which comes to almost $100m in potential bonus payouts.

Minister for Defence Personnel Matt Keogh said there was no doubt that in the current low employment environment, it was more difficult that ever to recruit and retain staff.

"It's no secret that we need to recruit more people to join our Defence Force. But critically we need to keep those people that we have invested so much in training, who have gained such great skills in our Defence Force to continue to contribute to our capability," he said.

"We have listened to the needs of ADF personnel and are implementing a range of initiatives to encourage the continued service of our highly skilled, trained and capable people."

Labor has set aside $400m over four years to cover the retention bonus program, which was recommended by the Defence Strategic Review.

The Review found about 10 per cent of the ADF leave the force every year, warning the trend presented defence with "significant workforce challenges".

Defence's latest annual report, released in October, showed uniformed personnel numbers fell more than 3400 under target last financial year in a threat to the nation's planned military overhaul.

The report confirmed the uniformed workforce contracted by 1161 personnel in 2022-23 to 58,642, 5.5 per cent smaller than Defence's 62,000 target.

The figures sparked alarm in the defence community given staffing demands are only expected to grow as capabilities such as the AUKUS nuclear submarine program are brought online.

Defence Minister Richard Marles said last year that Labor would also look to expand the exchanges and co-operation with allied defence forces from the Pacific.

Opposition defence spokesman Andrew Hastie said recruitment from other Five Eyes countries needed to be put on the table, proposing accelerated pathways to citizenship be offered to those willing to join the ADF. The idea was backed Senator and veteran Jacqui Lambie, who said there was "no reason" for such options to be ignored.

But Mr Marles said security requirements would pose a challenge to implementing the proposal, declaring its citizens that are "really needed".

Along with the retention program – which will run for the next two years before being reviewed by the government – Labor has ticked off the appointment of a new three-star chief of personnel to take carriage of lagging recruitment and stem the ADF's falling numbers.

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# Child abuse report rush clogs system

EXCLUSIVE

STEPHEN LUNN
SOCIAL AFFAIRS EDITOR

Mandatory reporting of suspected incidents of child abuse and neglect in Australia has reached "unsustainable levels", where the social services system can't properly investigate all cases, a leading child welfare expert has warned.

And the nation's current national strategy to address child maltreatment makes no explicit mention of one of its key drivers, parenting, nor offers a plan to support parents struggling to navigate issues such as economic hardship, mental illness or drug and alcohol problems, Daryl Higgins says.

Professor Higgins, director of the Institute of Child Protection Studies at the Australian Catholic University, says "alarm bells should be ringing" at the number of children in contact with the child protection system.

Professor Higgins said a fresh policy approach, prioritising prevention rather than protection, was needed to protect vulnerable children now and into the future.

He said 275,000 children had 471,000 reports of harm made about them to a state or territory child protection service, but fewer than half of the children had the report investigated and only 45,500 had a case substantiated.

Between 2016 and 2021 the number of reports jumped by 40 per cent, but the number of substantiations increased by just 7.2 per cent.

"Partly this is a consequence of the widened responsibility of a range of professionals and adults obliged to report when they are concerned about a child at risk of harm, known as mandatory reporting," Professor Higgins said.

"It would be negligent to let a child at risk fall through the cracks, but the volume of notifications is at unsustainable levels. No statutory child maltreatment service can ever be responsive enough to address such high levels of need to investigate and create safety plans.

"Alarm bells should be ringing. The high rate of notifications has created a burden on the statutory child protection services system, on families and on children.

"We will always have an unenviable problem of how much resources to put into statutory child protection while we continue to see it as the main solution to the problem of child safety," he said.

The Australian Child Maltreatment Study in April found 60 per cent of Australians say they had endured some form of abuse or neglect as a child. Almost four in 10 women and 19 per cent of men said they had experience some form of sexual abuse as a child. Four in 10 said they had been exposed to domestic violence between parents.

In a new paper published in the Australian Journal of Social Issues late last month, Professor Higgins and co-author Gabrielle Hunt find four factors substantially increase the risk of abuse and neglect among children: economic hardship, mental illness, drug and alcohol issues and separation or divorce.

It argues policymakers must examine ways to minimise the impact of these factors on children at home, including helping parents manage mental health and substance abuse issues, as well as developing parenting skills.

"There has been a lack of explicit focus on prevention," Professor Higgins said. "We need to move away from pointing the finger at parents and instead offer them preventative support, advice and education in these areas."

One of the most critical reasons for a more preventative approach to child protection is that once children enter the system it is hard to get them out, he said.

"There is a place for statutory child protection where there is imminent risk of death or serious harm," he said. "But prevention strategies, and early intervention supports, help prevent families entering or returning to the child protection system, and minimises the need for more intrusive statutory interventions."

The paper suggests schools, health services and general practitioner services – places where children and families were already engaging – should be target areas for additional family support.

## Uphill fight to have dead partner's baby

PAUL GARVEY

Western Australia's plan to lift its ban on posthumous fertilisation may not be enough to help the 62-year-old Perth woman at the centre of a controversial plan to conceive a child using sperm from her recently deceased husband.

One of the nation's leading obstetricians warned that the woman's age meant it was all but impossible for her to find an IVF clinic in Australia that would be prepared to work with her. Dr Michael Gannon, an obstetrician and gynaecologist who is also a former president of the Australian Medical Association, told The Australian that the policies of most IVF clinics in Australia required at least one parent to be under the age of 50.

"My suspicion is the majority of clinics in Australia would refuse to treat this patient, based on the risks and the prospects of success," he said.

The woman's plight came to light when the WA Supreme Court ruled that she would be able to collect sperm from the body of her dead husband, who died just before Christmas. The woman told the court that she and her husband had been talking about having another child after they lost both their adult children in separate accidents.

Posthumous fertilisation is currently banned in WA, with those wishing to conceive a child using eggs or sperm from deceased partners needing to travel to interstate jurisdictions for the procedure.

WA Health Minister Amber-Jade Sanderson announced plans to overhaul WA's assisted reproductive technology laws last year, with the proposed new bills set to legalise surrogacy and open the door to posthumous fertilisation.

The ministerial expert panel that advised on the proposed legislation recommended allowing posthumous fertilisation subject to a series of conditions, with the government supporting the proposal.

The MEP's proposed legislation, however, specifies that "the best interests of the person(s) to be born will be a primary consideration for any posthumous use of gametes, reproductive tissues or embryos". The surviving partner would also be required to undertake counselling and be provided with information on "potential social, psychological and health implications for the person who may be born".

The proposed legislation will maintain existing bans on commercial surrogacy and cloning.

Ms Sanderson said the government remained committed to pursuing the new legislation.

"Western Australia's legislation governing reproductive technology and surrogacy has not kept pace with medical advancements and societal changes, which is why the Cook government is developing two new bills to overhaul our legislation," she said.

"Western Australians should not have to travel interstate to start a family. Reciprocal IVF, where the egg of one partner is fertilised and carried to term by the other partner, will be permitted, just like in all other Australian jurisdictions."

Dr Gannon noted that the woman would have to obtain another court order before anything could be done with the sperm collected from her husband.

"This is a desperately tragic story of a family that's suffered a great deal," he said. "I don't think anything will take away the pain that this plaintiff has suffered over the years. The desire to try in some way to replace what they've lost is very much understandable, but whether this is the right way to deal with their loss is for other people to judge."

WA Liberal leader Libby Mettam said the case exemplified the difficult legal and moral issues around posthumous surrogacy.

"While I have sympathy for the woman in this situation, the future health and welfare of any potential child must be given consideration," she said.

## Flurry of blanket coverage for naked Brazilians

JOHN FEDER/JONATHAN NG

Ahead of the opening of the Sydney Festival, dancers from Encantado, a performance from Brazil, at the Sydney Opera House and below left, Bananaland co-creator Kate Miller-Heidke

MATTHEW WESTWOOD
ARTS CORRESPONDENT

There are few actual costumes in Encantado, a performance where the company of 11 dancers instead wrap themselves in colourful fabrics in an atmosphere of joyous play and enchantment.

The dancers in the show, by renowned Brazilian choreographer Lia Rodrigues, spend much of the show naked as they wrap themselves and animate the 140 blankets used in the piece.

"The show is about the relationship between the dancers and the blankets," said dancer Valentina Fittipaldi.

"We create an atmosphere of the forest and fantastic beings. The most beautiful thing is that we create a relationship between the audience and the piece."

Encantado is the opening-night attraction of the Sydney Festival, a 24-day program that officially begins on Friday.

Highlights include the Sydney premiere of Bananaland, a musical by husband-and-wife team Keir Nuttall and Kate Miller-Heidke, an outdoor performance of Puccini's one-act opera Il Tabarro, and performances by musical luminaries including Anoushka Shankar, Judith Hill and William Barton with the Sydney Symphony Orchestra.

In keeping with the blankets theme is a new musical called Big Name, No Blankets, about legendary Aboriginal rock group Warumpi Band.

Recent cultural events have been targeted by pro-Palestinian protesters. The Sydney Festival was boycotted by some artists in 2022 because of a sponsorship from the Israeli government.

Festival director Olivia Ansell said the festival had been "pro-active" in having conversations with community groups in an attempt to forestall any possible action at festival events this month.

She said she was proud to include in the festival program a performance by Melbourne-based Palestinian artist and activist Aseel Tayah. Tickets are fully sold for Tayah's performance, called A'amar, in which she offers food, music and stories from her family's homeland.

"I am really proud of Aseel and this beautiful work that she has created, and to do that through adversity," Ansell said. "It's such an incredibly tough time for Aseel as it is for many artists impacted (by the Israel-Gaza conflict)."

A notice on the festival website acknowledges the suffering caused by the conflict, and calls on all festival participants to build an "atmosphere of safety and inclusivity, characterised by mutual respect and tolerance".

"We will address any protest or action on a case-by-case basis," Ansell said. "We are not here to curb freedom of speech or freedom of expression."

## Pair killed in suspected murder-suicide tragedy

NATHAN SCHMIDT

Police are investigating a suspected murder-suicide after a man and woman were found dead at their apartment on Queensland's Fraser Coast.

The couple were named as "reclusive" retired couple Bryan Monk and Janice Walker, who was battling a serious illness and nearing end-of-life care in recent months, The Courier-Mail reported on Wednesday.

Police said it was not yet known whether the pair had made a pact to end their lives.

Police first went to the complex at the corner of King and Sandy streets, Urangan, for a welfare check about 12pm (AEST) on Tuesday.

Upon arrival, police discovered the elderly couple were dead inside.

Police would not be drawn on any injuries or if a weapon had been located at the scene, but they have ruled out the use of euthanasia drugs.

Detective Sergeant Mick Polit said "a number of items had been collected for DNA testing along with several documents of interest" but declined to provide more details about how the couple died.

Maryborough Criminal Investigation Branch detectives and forensic police remained at the home on Wednesday.

Police said a post-mortem would be conducted to determine the cause of death and were appealing for witnesses or anyone with information to come forward.

NCA NEWSWIRE

## Twelve Australians in 'miracle' jet escape

JOANNA PANAGOPOULOS

Twelve Australians were among the lucky escapees of a Japan Airlines flight that burst into flames minutes after all 379 passengers were evacuated.

The JAL plane collided with a Japan Coast Guard plane at Tokyo's Haneda Airport, killing five of the six people on-board the maritime patrol aircraft. The 39-year-old captain survived.

A Coast Guard official said their plane was headed to Niigata on Japan's west coast to deliver supplies to those caught up in a devastating New Year's Day earthquake, which has killed at least 55 people.

All 367 passengers, including eight infants, and 12 crew members of the JAL Airbus A350 escaped. At least 17 people on the passenger plane were injured, four of whom were taken to hospital, according to Japan's Fire and Disaster Management Agency.

Anthony Albanese said on Wednesday that 12 Australians were on the flight but that none was injured.

"Our hearts go out to our friends in Japan, both for the impact of the earthquake that has seen a considerable loss of life... In addition to that, tragically, there was a plane crash at Haneda Airport in Tokyo soon after that earthquake that with a involved a plan providing support for the earthquake," the PM said. "We understand that there were 12 Australians on board that Japan Airlines flight. But all of those people are safe and accounted for."

The airliner departed New Chitose Airport at 4.20pm on January 2, and was scheduled to arrived at Haneda Airport about 5.40pm, where it was given permission to land as normal on the runway, JAL managing executive officer Noriyuki Aoki said.

WORLD P6

Flames on the tarmac are seen from inside the JAL plane after the crash

## Mouse slasher movies are taking the Mickey

KEIRAN SOUTHERN
LOS ANGELES

Horror movies featuring Mickey Mouse as the killer have been announced within a day of an early version of Disney's mascot entering the public domain.

Disney had fought for years to protect the copyright of its most famous creation and was notorious for enforcing its ownership. It once forced a day care centre in Florida to remove an unauthorised Minnie Mouse mural.

However, on January 1, the version of Mickey Mouse that appeared in the 1928 short film Steamboat Willie became available for public use. And producers have wasted no time in making the most of the newly available character.

A trailer has been released for Mickey's Mouse Trap, a slasher movie featuring a killer wearing a mask bearing the likeness of the mouse in Steamboat Willie. The film follows a group of friends celebrating a 21st birthday party at an amusement arcade only to find they are being hunted. "The mouse is out," the trailer warns.

Jamie Bailey, the film's director, said: "We just wanted to have fun with it all. I mean it's Steamboat Willie's Mickey Mouse murdering people. It's ridiculous. We ran with it and had fun doing it and I think it shows."

Mickey's Mouse Trap is expected to be released in March, while another untitled horror-comedy project will be directed by Steven LaMorte, who previously made a parody of the Grinch.

LaMorte's film will feature a sadistic mouse terrorising a group of ferry passengers, according to Variety, and production is expected to begin in the spring.

The director has said he and the producers were working with lawyers to make sure they don't attract the attention of Disney's litigious legal department.

While Steamboat Willie has entered the public domain, later depictions of Mickey remain under copyright and violations are sure to face a court challenge.

"We are doing our due diligence to make sure there's no question or confusion of what we're up to," LaMorte said.

Mickey Mouse is not the first beloved cartoon character to get the horror treatment. Shortly after copyright expired on Winnie-the-Pooh last year, he featured in the slasher movie Blood and Honey.

THE TIMES

The Asian black-spined toad is a biosecurity threat.

## 'Serious biosecurity threat': exotic pest discovered

EMMA CAM

An exotic poisonous pest has been sighted in Melbourne, leading authorities to warn of a potential serious biosecurity threat.

A resident spotted the Asian black-spined toad during an afternoon walk along the Djerring Trail near Huntingdale train station, collected it, and reported the discovery to Agriculture Victoria via their hotline on Boxing Day.

Agriculture Victoria is urging any further sightings be reported. Agriculture Victoria biosecurity manager Adam Kay said they were focused on determining how the animal came to be in Melbourne's southeast.

"This is a serious biosecurity threat and we are seeking help from Huntingdale area residents and business owners who may have information on how this toad came to be in the community," Mr Kay said.

He said this species did not naturally occur in Australia and was in poor condition. The toad has since died and been disposed of to minimise biosecurity risks.

The toads are found in Bali, Thailand and Papua New Guinea.

"The species is frequently intercepted at Australian borders in shipping containers and in personal luggage as stowaways," Mr Kay said.

Agriculture Victoria has warned people to be careful handling the toad, because the milky toxin it secretes gives off a pungent odour and can result in itchiness of the nose and eyes. Consumption of the toad's skin or eggs can cause serious illness or even death in native species and pets, who often mistake the creatures for food.

"They are poisonous and compete with native species for food and habitat, with the potential to cause environmental impacts like those of the cane toad in Queensland," Mr Kay said.

This is the 18th Asian black-spined toad discovery reported to Agriculture Victoria since 1999.

It comes after hundreds of cane toads were spotted on a suburban street on the Gold Coast the week before Christmas.

In a Reddit photo shared by a local, Jonathan, the cane toads can be seen swarming a street in Tugun.

Cane toads were first introduced to Queensland in 1935 in a failed attempt to "control" a native insect. A total of 102 cane toads were brought over, with the population estimated to have grown to more than 200 million since.

NCA NEWSWIRE

'RAZOR-THIN MARGINS AT RISK'

# Energy retailers lobby for price rise

COLIN PACKHAM
ENERGY REPORTER

The energy industry has demanded the next annual electricity tariffs must reflect market conditions and not be influenced by a desire to shelter households and businesses from the cost-of-living crisis.

The Australian Energy Regulator is working to determine how much electricity bills should rise from July 1.

The Australian revealed on Wednesday how several of the country's energy retailers have urged the regulator to tweak how it calculates the tariff to reflect the soaring introduction of rooftop solar and compensate them for ever larger losses.

Should the AER agree to the industry's push to further include the influence of increasing rooftop solar, the default market offer will be higher than if the regulator continues to use existing methodology.

The push for a tweak marks a discreet but simmering battle between electricity companies – which fear being squeezed by the next default market offer – and authorities that would prefer little to no increases in electricity bills.

The peak body for electricity retailers, the Australian Energy Council, said the next default market offer must allow retailers to recoup their cost while also protecting customers.

"The energy transition is challenging traditional business models, so the AER has the daunting task of protecting the 10 per cent of customers on the regulated tariff, while making sure there is a viable market and enough room to support competition," a spokesman for the AEC said.

"With retailers on razor thin margins – accounting for just $34 out of a $1500 average bill, according to the ACCC – getting the costs of supply right is more important than it has ever been. We have already seen around eight leave the market in the past 18 months due to supply and demand shocks. That is not only not good for their customers or their employees, but ultimately could see higher prices for everyone."

The default market offer is calculated annually, with the AER considering the wholesale cost of electricity, the toll of transporting electricity and the cost of compliance with government rules and regulations. Only a small minority of households and businesses are on the default market offer, with retailers typically offering discounts to entice customers. But retailers insist if the default market offer is not allowed to rise in accordance to market conditions, fewer and fewer customers will be offered discounts.

The AER is caught in the middle of two opposing sides. The retailers privately stress their margins are at the lowest levels on record despite a public perception to the contrary.

The AER last year approved increases to household and business bills of at least 20 per cent after a global energy crunch that saw many retailers post heavy financial losses.

Victoria was hardest hit in the last annual increase to the default market offer, while South Australia experienced the lowest rises of just shy of 20 per cent.

> 'Getting the costs of supply right is more important than it has ever been'
>
> AUSTRALIAN ENERGY COUNCIL SPOKESMAN

"Retailers are not rolling in it like in previous years. The increases last year allowed the industry to recoup losses – and, even then, barely," said one senior industry executive.

Further increases to the default market offer will be politically unpopular. Energy bills have been a key driver of soaring inflation, which has prompted the Reserve Bank to increase interest rates 13 times since May 2022.

That has fuelled a cost-of-living crisis and sapped support for Anthony Albanese and the Labor government.

Industry sources said energy retailers may struggle to sway the AER. Recent government intervention has worked to lower wholesale prices, but the sources warned a hot, dry summer could push up prices from July 1.

Australia's energy grid is on heightened alert for potential price spikes this summer as an El Nino weather event is expected to bring sustained hot, dry weather across the country's east coast.

# Businesses warn port strikes to increase consumers' pain

JACK QUAIL

A family business owner has called on the Albanese government to urgently intervene in strikes at the nation's ports that he claims have hammered their bottom line and could make the nation's cost-of-living crunch worse.

The industrial action – led by the Maritime Union of Australia at container terminals in Melbourne, Sydney, Brisbane and Fremantle operated by DP World, one of the country's largest stevedores – has resulted in a backlog of some 45,000 containers and is costing the local economy more than $20m a day, employers claim.

While the stevedore is seeking to update its rostering arrangement in a bid to reflect current business demands, the union has participated in industrial action since October, undertaking work stoppages and 24-hour strikes to win a pay rise worth 8 per cent a year for its members.

The last workplace deal at DP World expired in September.

Freight forwarding company EES Shipping managing director Brian Hack said the economic and reputational damage to Australia would only continue to worsen if the strike didn't end soon. "This is no longer just about DP World and the MUA – Australian businesses are being significantly impacted and are losing money as a result of ongoing delays and uncertainty," Mr Hack said.

"Our business has lost clients, and we're having to wear thousands of dollars in extra container detention charges due to the backlog and delays."

The stoppages mean ships are facing delays of up to 12 days.

Mr Hack said the extra costs on businesses like his would ultimately affect consumers' hip pockets.

"We're already seeing one transport provider adding a surcharge for picking up from the DP terminal in direct recognition of the extra costs caused by the delays," he said.

"All these extra charges will eventually flow through to consumers who are already dealing with cost-of-living increases.

"If we can't get containers off the wharf, we could see shortages of products on shelves again."

Other businesses including meat processors, fruit and vegetable farmers, manufactures and automotive dealers have also hit.

In mid-December, DP World appealed to the Fair Work Commission to intervene and suspend industrial action but the request was refused, forcing the stevedore to return to the negotiating table.

It came after DP World was hit by a cyber attack, forcing it to shut its operations and creating a backlog of about 30,000 containers.

On Wednesday, opposition workplace relations spokeswoman Michaelia Cash demanded that Workplace Relations Minister Tony Burke intervene.

"This strike is clearly impacting businesses and consumers and it is time the government took its head out of the sand and acted in Australia's best interests," she said.

Senator Cash said goods intended for Christmas delivery had been delayed and disrupted by the industrial action that was now dragging on into the New Year.

"Minister Burke has the power to intervene in the dispute and should take that option. He appears unwilling to intervene because he wants to keep his paymasters in the union movement happy," she said.

Mr Burke said: "As always, I urge all parties to engage with the Fair Work Commission and find a solution in the best interests of everybody involved."

NCA NEWSWIRE

GAYE GERARD/NCA NEWSWIRE

Prime Minister Anthony Albanese arrives for a press conference in the Sydney Parliament Offices on Wednesday

# PM flags relief on cost of living

Continued from Page 1

expand the eligibility of its programs, which had been targeted at low-income households.

"Certainly, my intention over the next few months will be to press that a bit more, what can we do for Middle Australia, those who haven't qualified for the concessions so far," he said.

Mr Mitchell said businesses posting big profits needed to do their "fair share" to fight the cost-of-living crunch.

"Those who are doing really well, is there capacity to look at how they can play their part fairly? For example, we look at big grocers, they are making record profits," he said.

"Profits are a good thing, but for those making a record profit in a high inflation environment, you're contributing to inflation, not helping tackle it."

Bennelong MP Jerome Laxale also called for the eligibility for cost-of-living programs to be expanded.

"I think our cost-of-living relief has been effective and targeted ... I believe it should be extended," Mr Laxale said.

Macarthur MP Mike Freelander said power and food prices were the main things "knocking people around".

"The Senate inquiry into supermarket overcharging, people are keen to look at that. I'm positive we'll get positive changes this year," Dr Freelander said.

None of the MPs called for the stage three tax cuts to be axed, with Mr Freelander saying the government had "reiterated" its commitment to the policy on a number of occasions.

Mr Richardson said it was important that any new money going into the budget was offset with funding cuts to other areas.

"They can't do much about the cost-of-living challenge," he said.

"If there was a magic wand to wave then this government would have done it, the last government would have done it.

"If you give people money in a cost-of-living crisis caused by inflation then they spend the extra money and that adds to the inflation challenge," he said.

Mr Eslake said one thing the government could do was to provide a bigger tax cut to low-income earners when the stage three cuts begins in July. But he said it would be better if the Prime Minister campaigned more forcefully in defence of his government being fiscally prudent last year.

"The government is obviously frustrated it is not getting the credit it thinks it deserves for having saved most of the windfall gains," he said.

"I think they ought to be making that case more often and more forcefully. (Jim) Chalmers is doing it on his own.

"Albanese hasn't really tried to prosecute Chalmers' argument that the best thing the government can do is avoid the temptation to splurge cash."

Unions are going further than Labor MPs in pushing for cost-of-living relief.

CFMEU national secretary Zach Smith said "the stage is set" for the government to introduce ambitious reforms to address the cost-of-living challenge, urging Labor to introduce a mega profits tax on companies to fund affordable housing, among other measures.

Electrical Trades Union national secretary Michael Wright said the government should look to expand its $1.6bn electrification package announced at the last budget that is aimed at helping Australians electrify their homes and eventually save on power.

"The most pressing issue which sounds out in the cost of living is on the energy transition," he said.

"Providing stability to grid ... increasing investment, providing pathways to households to electrify ... that is the single biggest cost-of-living increase the government can deliver."

ACTU acting secretary Joseph Mitchell said working families wanted to see politicians "standing up to big business" while also delivering higher wages.

"Parliament can give working people a pay rise by passing the second tranche of the government's workplace laws, which closes loopholes that big corporates exploit to undercut wages and conditions," he said.

# No escape for the 'bureaucrat state' from debt grip

Continued from Page 1

NSW and Victoria. "The most obvious explanation is you've had a long period of Labor rule in Victoria, and 12 years of Liberal rule in NSW," he said.

Mr Eslake said that almost all of the growth in government sector workers in Victoria happened under former Labor premier Daniel Andrews, who took power in 2014 before stepping down last September.

"The most charitable interpretation is they (the Victorian government) have prioritised the delivery of public services in education and health and the police, and these are all employee-intensive activities," Mr Eslake said.

"A less charitable interpretation might put it down to the significant influence public sector unions wield in the Victorian Labor Party."

With a richer and older population, demand for services such as education, health and aged care are rising, putting more pressure on states and territories.

Mr Eslake said there was "no hard and fast rule" about the "right" number of state workers.

"Economically there is no right or wrong – Scandinavian countries collect more than 50 per cent in GDP in taxes, and they certainly haven't performed economically worse than countries that collect a lot less in taxes," he said.

Mr Eslake added: "If you really believe that the people want more public services, then the fiscally responsible thing to do is raise taxes.

"Employing a lot of public servants and paying them with money from taxation is, fiscally, not a bad thing. Employing a lot of public servants and paying them with borrowed money, however, is a unequivocally bad thing."

The effectiveness of increased spending on high state government headcounts is hard to measure, but a review of the Productivity Commission's rolling reports on government services suggests the additional spending has not created clearly superior outcomes for Victorian residents, compared with other states.

As at June 2022, there were 313 "operational staff" per 100,000 people in Victoria's police force, well above the rate of 239 in NSW. In Queensland and Western Australian there were 285 and 282 operational police, respectively, per 100,000 people.

But the rate of physical assaults per 100,000 residents in Victoria was 1840 in 2021-22, according to best estimates quoted by the commission, higher than the 1540 assaults per 100,000 in NSW, although better than the roughly 2300 rate in Queensland and Western Australia.

In health, the availability of public hospital beds was also worse in Victoria than in the other states, at 2.2 beds per 1000 Victorians, versus an equivalent rate of 2.6 in NSW, 2.5 in Queensland, and 2.3 in Western Australia.

Ambulance wait times are not directly comparable between all states, but the proportion of public hospital emergency patients seen on time in Victoria is the lowest among the three big east coast states – at 63 per cent of patients, against 68 per cent in Queensland and 77 per cent of patients in NSW.

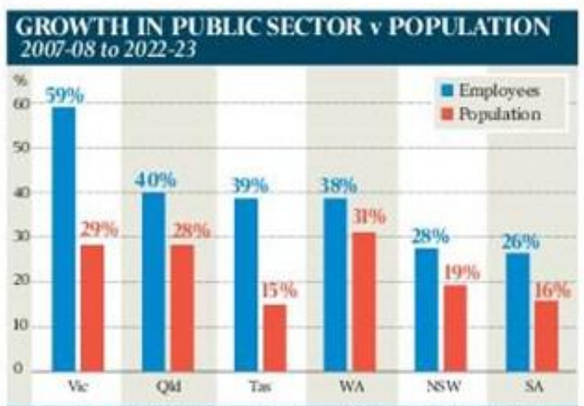
Victoria's public schools had a notably lower student-to-teacher ratio than the other states, at 12.7 students per teacher in 2022, versus 14.2 students in NSW, 14.1 in Western Australia, and 13.2 in Queensland.

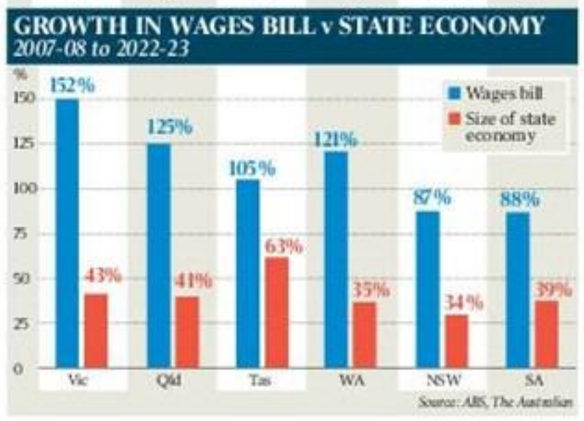
The higher teacher staffing ratios in Victoria against NSW, however, have not translated into better NAPLAN results, with 95.5 per cent of year seven students in both states scoring at or above the national minimum standards for reading in 2022. On the same metric for numeracy, 91.9 per cent of Victorian students achieved at least the minimum standard, only slightly above the 91.6 per cent of NSW year sevens.

Centre for Independent Studies senior fellow Robert Carling said the ABS numbers, while distorted by a change in methodology in the most recent financial year, confirmed his own research showing runaway spending and hiring on state employees in Victoria under Mr Andrews.

"Maybe in part it was an adjustment to the more standard levels of employment in police and public hospitals, but it goes beyond that," Mr Carling said.

Moody's analyst John Manning said the significant disruptions from the pandemic married with Victoria's decision to quadruple its annual infrastructure spending to about $20bn through the pandemic had left the state in the weakest fiscal position of its peers. Mr Manning said the challenge was for Victoria to move "to a sustained operating surplus, and to manage the capital spending program such that the debt burden can stabilise in the immediate term, and then revert to more sustainable levels going forward".




# Scrutiny for Premier over rate at which public sector is growing

PATRICK COMMINS
COMMENT

Victorians should be alarmed with the extraordinary growth in the size of their state public workforce.

They should be asking Labor leader Jacinta Allan to explain why the number of state employees has jumped by 60 per cent since 2008 – twice the pace of population growth, and what she plans to do about it.

This growth has been on an unsustainable trajectory for years, yet there was no glimmer of restraint under former leader Daniel Andrews.

Victoria's gross debt to revenue is estimated to be almost 200 per cent this financial year and increase to 225 per cent over four years. The debt servicing burden will rise to more than 8 per cent as a share of revenue by 2027, or twice pre-pandemic level.

The $200bn set to be wasted on Victoria's Suburban Rail Loop looks even more outrageous in this context.

S&P Global Ratings has been warning of the ballooning public wages bill since 2016 – well before the Covid-19 pandemic left the state's finances in tatters.

In contrast, NSW under Liberal leadership has increased the public sector headcount by 28 per cent over the 15-year period, or not too far above the 20 per cent lift in the number of people.

As independent economist Saul Eslake says, it's difficult to assess the "right" size for a public service workforce, and the choice, in the end, is political. No wonder, then, that the bureaucratic wages bill waxes and wanes depending under the alternating Labor and Liberal state leaderships.

The fact that political ideology is such a key driver in the size and scope of state bureaucracies is concerning, as it suggests politicians have only a loose grip on how to properly gauge the size of their state bureaucracies, other than to say "more" on the left, and "less" on the right.

Complicating the task is the broad range of jobs – from frontline workers such as police, nurses and teachers, to the desk jobs responsible for operating the machinery of the state. Both are necessary, but the former must be preferred over the latter.

So are taxpayers getting value for money for all the extra taxpayer dollars? Most pressingly, are Australians – and Victorians especially given the enormous lift in the number and cost of state workers – receiving substantially improved services?

A brief survey of the Productivity Commission's report cards across areas such as hospital beds, crime stats and student outcomes suggests the answer is "no".

This is only a superficial assessment, but it chimes with what most Australians right around the country would feel and experience in their everyday lives.

From this assessment, then, the two obvious solutions present themselves: spend less – or at least restrain the growth in spending – and spend better.

Spending less is politically fraught, particularly as populations expand and age, and the demand for services increases.

NSW Labor premier Chris Minns recognises the challenge. His first budget in September promised government expenditure would lift by only 0.8 per cent a year over the coming four years, despite also boosting essential services staff, removing the public sector wages cap, and the ongoing inflationary pressures. Ratings agency Moody's Investors Service at the time made clear it thought this projected spending restraint would be "difficult" to achieve.

The only other paths are to raise taxes in order to keep pumping money into state bureaucracies, dragging on economic vibrancy, and borrow from future Australians to fund today's profligacy.

Neither of these options is sustainable or responsible.

# Call to charge anti-Semite hate preachers

ALEXI DEMETRIADI
MOHAMMAD ALFARES

Anti-Semitism is "running unchecked" in NSW with Jewish and political leaders at a loss over the apparent inability to lay charges under existing legislation, with extremist clerics calling Jews "monsters" and "descendants of pigs and monkeys", who "ran like rats" from Hamas's October 7 attacks.

It comes as The Australian revealed footage of sheik Ahmed Zoud giving a hate-fuelled and anti-Semitic sermon at As-Sunnah mosque in southwest Sydney.

Senator Dave Sharma – a former Australian ambassador to Israel – said the longer it went "unpunished" the "more normalised it becomes".

"Is this really the sort of Australia Anthony Albanese and Chris Minns want us to live in, where speech demonising religious minorities is allowed to pass unchallenged," he said.

"They both talk a lot about social cohesion, but they are failing the most fundamental tests of leadership in allowing anti-Semitism like this to run unchecked.

"I find it hard to understand how these sermons wishing harm to Jews fail to meet the threshold of criminal conduct. At the very least, this should be tested in court. And if our laws are inadequate, we should strengthen them."

The NSW government recently "streamlined" section 93z of the state crimes act, which outlaws public acts of incitement of violence towards a group on the basis of race and religion.

The legislation dropped the requirement for police to seek approval from the Director of Public Prosecutions before laying charges.

However, after police felt forced to drop investigations into previous anti-Semitic sermons citing the criminality threshold, and given sheik Zoud's recent comments, Jewish and political leaders have criticised the legislation and apparent inaction to "test" it in court.

"It's time they tested the extensive anti-incitement and harassment laws passed by state and federal parliaments over the years with exactly this sort of conduct in mind," opposition home affairs spokesman James Paterson said.

"We have a growing crisis of anti-Semitism in this country and it is only going to get worse with tragic and predictable consequences unless they act."

The Australian has previously reported that the "absence" of a low-level criminal offence dealing with inciting hatred or contempt meant only specific incitements of violence were viewed as chargeable.

However, a NSW government spokesman said it was "always prepared" to improve laws and that the state's anti-discrimination legislation was subject to a Law Reform Commission review, which would include looking at its adequacy and "whether these (anti-discrimination) protections should be harmonised with the criminal law".

Sheik Zoud's December 22 sermon was what the cleric called "the truth about the Jews".

"Who are these terrorists ... these monsters ... who have removed mercy from their hearts," he said in Arabic.

"These (people) are the Jews, not all of them, but most of them.

"The most important characteristic of the Jews is that they are thirsty for bloodshed."

Sheik Zoud said the Jews "loved to shed blood" and accused them of raising their children on "killing". "The Jews (will always) remain the Jews, the days nor years change them," he said.

Appearing to refer to Hamas's October 7 attacks, he said Jews "ran like rats".

NSW Jewish Board of Deputies president David Ossip said the comments depicted Jews as "less than human".

"There is a muted response from all but the Jewish community and certain principled political leaders," Mr Ossip said. "It is difficult to imagine such vilification would be tolerated if the target was any other minority group."

Neither the mosque nor the Australian National Imams Council responded to questions.

WORLD P7

# Cape York leaders slam heritage bid

MICHAEL McKENNA
QUEENSLAND EDITOR

Gerhardt Pearson has described the Peter Garrett-led push to secure Aboriginal consent for a World Heritage listing on the north Queensland peninsula as offensive and rushed, saying he suspects it is more about winning green votes in the city than delivering tangible benefits to Indigenous people.

Mr Pearson, executive director of the Balkanu Cape York Development Corporation, is among several traditional owners and community leaders who have expressed concerns about the joint state-federal government plan to nominate large tracts of the region for listing this year.

The veteran Aboriginal leader told The Australian the existing World Heritage-listed "Wet Tropics" site on Cape York – which was nominated by the Hawke government without consulting the local Kuku Yalanji people – had proved to be disastrous for neighbouring Indigenous communities.

Mr Pearson called on federal Environment Minister Tanya Plibersek and Queensland Premier Steven Miles, a former state environment minister, to "learn the lessons of the past" and consult slowly and widely over any proposed nomination.

"We were initially told that this was going to be an Indigenous-led process and now we find it is being run by a rock star, the former head of the conservation foundation and a NSW bureaucrat – with the black fellas sitting out on the wood heap," he said.

"It is offensive, an insult just a few months coming out of a referendum that both these governments said was about giving a voice to Indigenous Australians."

Mr Pearson said the proposed listing followed an expansion of mining exploration permits being granted across the peninsula under the state government.

"This is just a cynical exercise; it's linked to the expansion of exploration permits and leading up to the October state election there is a need for some sort of conservation offset for votes in Brisbane," he said.

It was revealed on Wednesday that Mr Garrett, the Midnight Oil frontman and former environment minister, and former Australian Conservation Foundation boss Don Henry had been recruited to facilitate meetings with traditional owners and help secure their consent for the listing.

The process has been secretive, with the state and federal governments refusing to answer questions about the role of the pair, the timing, or what areas have been earmarked.

Lockhart River mayor Wayne Butcher told The Australian he had met with Ms Plibersek and her state counterpart Leanne Linard, as well as Mr Garrett and Mr Henry, and was only told that the proposed listing would "start with national parks" on Cape York.

"There needs to be a lot more discussion, and open forums, about what value this is going to bring to Cape York and to traditional owners," he said.

Mr Pearson said the recent flooding around Cairns and the southern parts of Cape York had shown that a World Heritage listing could be detrimental.

He said the "Wet Tropics" World Heritage site, which surrounds the community of Wujal Wujal, had limited its growth.

"It is a shire of just 24km sq and because it is surrounded by the World Heritage site it can't expand, with all the new housing and infrastructure essentially built on top of each other in the path of the recent floods," he said.

Another traditional owner Jack Wilkie-Jans, from Mapoon, said he feared the listing would stop economic development for Indigenous people.

"This policy is a dead horse, obsessively flogged by Garrett and Labor at almost every election, and yet again it's being proposed without any detail," he said.

EDITORIAL P8

CHRIS KIDD

Sylph skipper Bob Williams with shipmate Oli after arriving in Hobart on Wednesday nearly eight days after setting sail from Sydney

# Oh what a feline! Oli on dry land at last

The crew of Sylph celebrated with bubbly ... and cream

AMANDA LULHAM

Two-handed yacht Sylph – with Oli the cat aboard – was the 85th and last boat to finish the 2023 Sydney to Hobart to a heroes welcome while a number of big names have already confirmed they will miss the 2024 race south.

An emotional skipper Bob Williams, crewmate Chris Warren and Oli arrived in Hobart at 8.26am on Wednesday, setting a new record for the yacht's slowest trip in the bluewater classic.

The agonisingly slow journey meant they arrived seven days, 19 hours, 26 minutes and 15 seconds after Sylph started the race at 1pm on December 26.

Her previous slowest Sydney Hobart race was in 1962 when she took seven days, 17 hours, 13 minutes and two seconds.

But there was one good bit of news for the team: they just managed to avoid finishing last in the PHS handicap race.

Sylph's slow progress saw her finish second last in the PHS handicap division won by Will Vicar's Oroton Drumfire with David How's Silver Fern earning the dubious honour of finishing last in this division of the race.

"I think it's quite amazing the way people have taken to Oli," said Williams, a retired naval officer who had hoped to enjoy dockside celebrations in Hobart on New Year's Eve but still received a hearty champagne welcome.

"He's just a part of my crew, wherever I sail."

Sylph's trip was incredibly five days slower than Christian Beck's LawConnect which pipped Andoo Comanche by 51 seconds in the closest finish in decades for the line honours back on December 28 at 8.03am.

However, it was well outside the record of the slowest ever race set back in 1945 and still owned by Wayfarer who took an extraordinary 11 days, six hours and 20 minutes to make it to Hobart.

Andoo Comanche, one of the most winning line honours yachts in the Sydney Hobart under different owners and names, will not be returning in the foreseeable future. The yacht is heading to Singapore and potentially then on to Europe.

Also missing will be Scallywag, one of the favourites for the 2023 race, which broke its bowsprit the opening night of the 2023 race.

She is heading to Barcelona to begin a new era of European campaigning with events such as the Middle Sea race on her agenda.

Whether the former multiple line honours winner Wild Oats returns is still in the wind. However, both LawConnect and overall winner Alive have confirmed they will be on the start line.

# Detainee claims he 'can't breathe'

DUNCAN EVANS

Former immigration detainee Aliyawar Yawari has told a court he is "diabetic" and "could not breathe", while he waits on remand for allegedly indecently assaulting a woman.

Afghan refugee Mr Yawari, 66, was arrested in December and charged with two counts of indecently assaulting a woman at a motel in Adelaide's north.

His arrest came just three weeks after his release from immigration detention in Western Australia, one of 150 detainees set free following a High Court decision in November striking down indefinite detention.

Appearing at Adelaide Magistrates Court on Wednesday via video link, Mr Yawari appeared animated and spoke in Persian to a Persian interpreter.

Mr Yawari's expressions were not translated directly in the court but his interpreter, speaking afterwards, said Mr Yawari had told him he was "diabetic" and "could not breathe" at the city's remand unit.

Defence lawyer Vageli Dimou, appearing for Mr Yawari, interjected as Mr Yawari spoke in Persian and told magistrate Oliver Koehn he would speak with his client later.

Mr Dimou did not apply for bail but requested a pre-trial conference date. Mr Koehn set February 14 for the conference date and Mr Yawari will remain in custody until then.

The court was told that Mr Yawari's case would also be transferred from Adelaide Magistrates Court to the Elizabeth jurisdiction, located in Adelaide's outer north.

Judge Paul Cuthbertson said in 2016 that Mr Yawari was a "danger to the community" and an "ongoing risk to women".

Mr Yawari was jailed for three years and 11 months, with a non-parole period of two years and eight months. He was then transferred to immigration detention where he remained until his release in November.

Of the 150 detainees freed since the High Court decision, at least nine have been arrested and charged with crimes.

Over the Christmas period, the AFP arrested a 45-year-old Afghan man and a 38-year-old Iranian man for breaking their curfew conditions. In early December, they arrested a 33-year-old man in Dandenong, Victoria, for breaching his reporting requirements and allegedly contacting minors. It's understood the former detainee is a registered sex offender and pleaded guilty to obtaining girls for a prostitution syndicate in 2012.

Following the burst of alleged crime from former detainees, the government legislated new preventive detention measures that give law enforcement the power to lock up high-risk offenders.

The government has also established a Community Protection Board to advise on how to manage the former detainees.

The issue has roiled federal politics, with the Coalition attacking the government for what it sees as a flat-footed response to the crisis. Peter Dutton called on Anthony Albanese to sack Home Affairs Minister Clare O'Neil and Immigration Minister Andrew Giles in December.

"The minister's made catastrophic mistakes ... and unfortunately now that they've released 147 people in total ... the very high likelihood is that there will be more victims," the Opposition Leader said.

Ms O'Neil hit back, saying Mr Dutton had voted against a bill that would have tightened controls on child sex abusers.

NCA NEWSWIRE

# NT sends more police to troubled community

PAIGE TAYLOR

A new police taskforce established to tackle alcohol-fuelled crime has been deployed to the troubled Northern Territory community of Wadeye, where escalating violence has included police cars and the local police station getting rammed by cars.

Wadeye is a dry community, meaning even visitors are not supposed to bring alcohol, but a recent increase in domestic violence and anti-social behaviour prompted police to conduct roadblocks in search of sly groggers. They found people attempting to smuggle large amounts of alcohol into the community.

The Territory Safety Division, established three weeks ago, has 10 police officers.

They will spend the next few days in the community and will conduct operations throughout the Daly region while travelling between Darwin and Wadeye.

NT Police said on Wednesday that it was "continuing to work closely with the residents of Wadeye after recent unrest in the community".

Since December 2, police had received concerning reports of disturbances throughout the community of Wadeye, about 430km south of Darwin. These included illegal supply of drugs and alcohol, fighting and domestic violence.

Among the residents arrested in the past month are three youths and three adults charged with ramming police vehicles and the police station. One woman was arrested for assaulting police.

Commander Brendan Muldoon said: "Extensive collaboration with the community, aided by an increase in police resourcing, has already some very positive results. Our roadblocks have been effective in disrupting the supply and distribution of illicit substances into the community, which we know fuels violence and anti-social behaviour."

There have been reports of people shot at with arrows in Wadeye but police this week said the violence was not expected to reach the crisis of two years ago when an estimated 500 people – about a quarter of the community – were forced to flee. Many took shelter from the violence and fighting at outstations.

The 2021 chaos built up over months and ultimately dozens of homes were extensively damaged by fire. The community's only food store was forced to close several times.

While the TSD has 10 officers, five have initially travelled to the community to support local police operations.

Acting Commander Muldoon said "The fact the TSD can be utilised in a surge capacity at short notice provides police with the ability to respond quickly to all manner of situations where extra support is needed."

The Northern Territory News describes the deployment as a test of whether this police operation in Wadeye will be more effective than other high-visibility incursions at Wadeye in recent years.

LISA MARIE WILLIAMS/BLOOMBERG

**Michele Bullock is the first female RBA governor**

THE AUSTRALIAN
2023 Australian of the Year

How to nominate the 2023 Australian of the Year

Post
The Editor
The Australian
GPO Box 4162
Sydney 2001

Website or the app
www.theaustralian.com.au

Email
aaoty@theaustralian.com.au

Correspondence should be headed: **The Australian of the Year**
*Please include your name and contact details**

**The winner will be announced in The Weekend Australian on Saturday, January 20, 2024**

*This information is collected solely for this award and will not be used for any other purpose

# New RBA chief's historic task

PATRICK COMMINS

Michele Bullock became the first woman to helm the Reserve Bank in the middle of a desperate battle to tame the most severe inflation outbreak the country has seen in a generation.

Ascending to the governorship through the tatters of her predecessor's public standing, she must now complete the difficult task of steering the economy out of the inflationary woods, while also overseeing a sweeping overhaul of the bank's culture, operations and governance.

In other words, it is a truly incredible time for the plain-spoken, self-described "country girl" from Armidale, NSW, to be in charge of the nation's pre-eminent independent economic institution, making her a nominee for The Australian's Australian of the Year.

Ms Bullock's final ascent to the peak of monetary policymaking has been as rapid as the rise in interest rates, going from assistant governor to deputy governor in April 2022, before taking the top job in September last year.

The extra scrutiny, and sometimes vitriol, that comes with the role of governor can be intense.

As Bullock stepped up to deliver her first speech at the ANU following the news of her appointment, student activists staged a protest calling for her to be sacked. But she has looked at home in the top job from day one, exuding a confidence and command that has impressed.

She showed the steel from a working lifetime at the central bank to hike rates again on Melbourne Cup day at only her second meeting in charge.

Inflation is tracking lower, but will only be back inside the RBA's 2-3 per cent target range in two years' time. No wonder, then, that Ms Bullock has warned there may yet be more work to do, and a February rate hike looms as a real possibility, further testing the new governor's relationship with a government that has seen its popularity plummet.

Crushing inflation is the priority, but last year's sweeping RBA review made it clear that there was a need for a cultural overhaul at the central bank, and Ms Bullock has passionately embraced this task.

# Arrests over shooting murder of crime boss

NOAH YIM

NSW Police have arrested and charged a 24-year-old man who allegedly shot to death Sydney crime boss Alen Moradian in a Bondi carpark last year.

Detectives attached to gang-busting Taskforce Magnus arrested Dut Deng, 24, in a pre-dawn raid on Wednesday at Fairfield Heights in Sydney's west.

Police said they will allege Mr Deng was the gunman who shot 48-year-old Moradian, who was a major figure in Sydney's underworld drug market and reportedly had links to the Comanchero bikie gang.

Police also arrested and charged two others – 27-year-old Joseph Santino and 28-year-old Abdulhakim Ahmad – for their alleged involvement in the criminal enterprise responsible for the murder. Those arrests were conducted on Tuesday night at Macquarie Park in Sydney's north.

They said they also seized 1.5kg of cocaine, 844g of methamphetamine, a pistol with 23 rounds of ammunition, and three illicit communication devices.

Detective Acting Superintendent Virginia Gorman, commander of Taskforce Magnus, told reporters police "will be alleging in court that (Mr Deng) was the gunman, he was the man who pulled the trigger".

"We believe he's the only person who pulled the trigger that day."

She said police believed Mr Santino and Mr Ahmad "were very close associates of the person that we allege pulled the trigger and they're obviously involved together in a criminal enterprise involving a large quantity of drugs" but did not comment on whether or not they were directly linked with the alleged murder.

She added that there would be further arrests made in relation to the matter.

Police said Mr Deng was charged with five offences including murder, drug and firearm-related offences, and participating in a criminal group.

Mr Santino was charged with eight firearm and drug-related offences and participating in a criminal group.

Mr Ahmad was charged with drug-related offences and participating in a criminal group.

Moradian was shot multiple times and died while sitting in a car around 8.30am on June 27, 2023, in an underground carpark off Spring Street near Bondi Junction Westfield.

The killers fled in two stolen cars, which were dumped nearby.

ADDITIONAL REPORTING: NCA NEWSWIRE

# Five die, dozens hurt in strikes

ANNA MALPAS
KYIV

Deadly strikes hit residential buildings in Ukraine and a Russian border region on Tuesday as an escalation of aerial attacks also wounded dozens and prompted Kyiv to urge speedier Western weapons shipments.

The bombardment of mainly Kyiv and northeastern Kharkiv came less than 24 hours after Russian President Vladimir Putin vowed to step up strikes following an unprecedented Ukrainian attack on the Russian city of Belgorod.

In total, five people were killed and 130 wounded, authorities said. "The enemy has planned their trajectories to cause as much damage as possible. This is an utterly premeditated terror," Ukrainian President Volodymyr Zelensky said in his nightly address.

Since December 29, Russia has launched nearly 300 missiles and more than 200 drones against Ukraine, he said.

Meanwhile, a new Ukrainian strike on Russia's Belgorod border region killed at least one person on Tuesday and wounded five, the local governor said.

Moscow claimed to have struck only military installations, but Ukrainian Defence Minister Rustem Umerov said Russia was deliberately hitting critical infrastructure and residential neighbourhoods.

Kyiv urged Western allies to respond to the bombardment by speeding up the delivery of air defence equipment, combat drones and long-range missiles at a time when allied backing has wavered.

Mr Zelensky's chief of staff, Andriy Yermak, said he had discussed the attacks with White House National Security Adviser Jake Sullivan.

"We agreed on the importance of strengthening Ukrainian air defence," he said.

Kyiv said Moscow fired 99 missiles on Tuesday but 72 were downed, while Russia said it had shot down nine Ukrainian missiles over the Belgorod region.

In Kyiv, a building near the centre of the city was partly destroyed. Two people were killed and 49 injured in the capital, Mayor Vitaly Klitschko said.

"It's a residential building. They hit a residential building," said Violetta Solovyova, 56.

Ukraine Interior Minister Igor Klymenko said two people were killed in the Kyiv region.

A 91-year-old woman was killed and 52 people were injured as at least four strikes hit the northeastern city of Kharkiv, said the head of the city's military administration, Oleg Sinegubov.

The cities of Orikhiv and Nikopol were also targeted by strikes that left three people wounded, authorities said.

UN human rights chief Volker Turk called for an immediate de-escalation of hostilities between Russia and Ukraine as his office voiced alarm at the intensification of attacks.

"International humanitarian law prohibits indiscriminate attacks and attacks against civilian objects," the UN Human Rights Office said on X.

In a sign of growing concern, Poland on Tuesday scrambled four F-16 fighter jets to its border with Ukraine to protect its airspace. During the last wave of deadly attacks on Ukraine on Friday, Poland said a Russian missile had passed through its airspace.

Tuesday's attacks came after an escalation of the war in recent days, with Russia on December 29 launching a wave of strikes across Ukrainian cities, including Kyiv, that killed 39 people.

Moscow also hit Ukrainian cities on New Year's Eve, with Kyiv saying it had foiled a "record" number of drones launched by Russia.

Ukraine is seeking assurances from its backers that military aid will continue as a new budget for US support is stalled in Washington.

German Foreign Minister Annalena Baerbock accused Moscow of seeking to "annihilate" Ukraine after residential buildings were hit on Tuesday.

Germany will "stand by the people in Ukraine for as long as they need us", she wrote on X.

British Prime Minister Rishi Sunak also said his country would "continue to stand steadfastly by Ukraine as they fight aggression and occupation", in a phone call with Mr Zelensky.

AFP

# Both Tokyo crash plane pilots given the green light

HIROSHI HIYAMA
TOKYO

Japanese investigators on Wednesday probed a near-catastrophic collision at Tokyo's Haneda Airport between a coastguard plane and a passenger jet, with conflicting reports about what instructions air traffic control gave.

All but one of the six people on the coastguard aircraft died, but all 379 passengers and crew escaped to safety down emergency slides minutes before the Japan Airlines Airbus was engulfed in flames late on Tuesday.

The blackened husk of the airliner, still sitting on the tarmac on Wednesday, bore witness to just how narrow their escape had been. Several hundred metres away lay the remains of the coastguard's DHC-8 aircraft.

The captain of the coastguard plane – which had been bound for the New Year's Day earthquake zone in central Japan – was its lone survivor, but suffered serious injuries.

Footage on Tuesday showed a ball of fire erupting and thick black smoke billowing from beneath the airliner shortly after landing and coming to a halt on its nose after its front landing gear failed.

Passengers could be seen sliding down inflatable slides as flames shot out from the rear of the aircraft in video posted to social media platform X.

> 'It was getting hot inside the plane, and I thought, to be honest, I would not survive'
>
> A FEMALE AIRLINE PASSENGER

As the plane was evacuated, dozens of fire engines with blue and red flashing lights tried to douse the flames, but the entire aircraft was soon engulfed and it took eight hours to finally extinguish the blaze.

"As soon as we landed, there was a bang. And I noticed a blaze rising from the right side," a female passenger on board told broadcaster NHK. "It was getting hot inside the plane, and I thought, to be honest, I would not survive."

A woman with a small child told NHK: "I thought we landed normally. But then I realised I was smelling smoke. I looked outside and it was already burning. I needed to protect my daughter. That was the only thing in my mind."

Government officials pledged to investigate how the incident happened in a country that had not seen a serious commercial aviation accident for decades.

Asked at a briefing late on Tuesday night whether the Japan Airlines flight had landing permission, officials at the major carrier said: "Our understanding is that it was given." But JAL and the land ministry declined to comment directly on exchanges between flight controllers and the two planes, citing the ongoing investigation.

In a recording from Haneda's control tower apparently made in the moments before the collision, available on a site that broadcasts live air traffic signals, a voice can be heard advising JAL's flight to "continue approach". NHK reported that the control tower had instructed the coastguard plane to hold short of the runway.

But the broadcaster also quoted an unnamed coastguard official as saying that the pilot, Genki Miyamoto, 39, said immediately after the accident that he had permission to take off.

Dozens of domestic flights were cancelled on Wednesday from Haneda, one of the world's busiest airports, but international arrivals and departures were little affected. France's Airbus, which manufactured the JAL plane, said it would send a team of specialists to help Japanese authorities investigate.

The passenger plane had arrived from New Chitose Airport serving Sapporo on the northern island of Hokkaido. Those on board included eight children.

Prime Minister Fumio Kishida praised the deceased crew members on their way to help the victims of the quake that killed at least 62 people.

"These were employees who had a high sense of mission and responsibility for the affected areas," he said on Tuesday.

In 1985, a JAL jumbo jet flying from Tokyo to Osaka crashed in central Gunma region, killing 520 passengers and crew. That disaster was one of the world's deadliest plane crashes involving a single flight. The world's worst civil aviation disaster also happened on the ground when two Boeing 747s collided at Los Rodeos Airport in Tenerife in 1977, killing 583 people.

AFP

REUTERS, AFP, X

The charred remains of the Japan Airlines Airbus A350 plane at Tokyo's Haneda International Airport on Wednesday; firefighters comb through the rubble in quake-damaged Wajima, Ishikawa prefecture, below

## Race against time as Japan quake toll rises to 62

TOMOHIRO OSAKI
WAJIMA

**Japanese rescuers scrambled to search for survivors on Wednesday as authorities warned of landslides and heavy rain after a powerful earthquake that has killed at least 62 people.**

**The 7.5-magnitude quake on Monday that rattled Ishikawa prefecture on the main island of Honshu triggered tsunami waves more than a metre high, sparked a major fire and tore apart roads.**

**The Noto Peninsula of the prefecture was most severely hit, with several hundred buildings ravaged by fire and houses flattened in several towns, including Wajima and Suzu, as shown by before-and-after satellite images released on Wednesday. The regional government announced on Wednesday that 62 people had been confirmed dead and more than 300 injured, 20 of them seriously. The toll was expected to climb as rescuers battle aftershocks and poor weather to comb through rubble.**

**More than 31,800 people were in shelters, the government said.**

**"More than 40 hours have passed since the disaster. We have received a lot of information about people in need of rescue and there are people waiting for help," Prime Minister Fumio Kishida said after attending an emergency task force meeting on Wednesday.**

**"Rescue efforts are being made by the local authorities, police, firefighters and other operational units, while the number of personnel and rescue dogs is enhanced, the Prime Minister added.**

**"However, we ask you to remain fully mindful that we are in a race against time and to continue to do your utmost to save lives."**

**The operation was given extra urgency as the Japan Meteorological Agency issued a heavy rain warning in the area.**

**"Be on the lookout for landslides until the evening of Wednesday," the agency said.**

**In the coastal city of Suzu, mayor Masuhiro Izumiya said there were "almost no houses standing". "About 90 per cent of the houses are completely or almost completely destroyed ... the situation is really catastrophic," he said, according to broadcaster TBS.**

**A woman at a shelter in the town of Shika told TV Asahi that she "hasn't been able to sleep" due to aftershocks.**

**"I've been scared because we don't know when the next quake will hit," she said.**

**Nearly 34,000 households were still without power in Ishikawa prefecture. Many cities were without running water.**

**Shinkansen bullet trains and highways have resumed operations after several thousand people were stranded, some for almost 24 hours.**

**The US Geological Survey said the quake had a magnitude of 7.5, triggering a major tsunami warning.**

**The powerful quake was one of more than 400 to shake the region in recent days, the JMA reported.**

**Japan lifted all tsunami warnings after waves at least 1.2m high hit the town of Wajima and a series of smaller tsunamis were reported elsewhere.**

**The country is haunted by a massive 9.0-magnitude undersea quake off northeastern Japan in 2011, which triggered a tsunami that left around 18,500 people dead or missing.**

**It also swamped the Fukushima atomic plant, causing one of the world's worst nuclear disasters.**

AFP

# Trump asks Maine court to reverse ban

JACOB GERSHMAN
NEW YORK

Donald Trump's campaign on Tuesday asked a Maine court to reverse last week's decision by the state's top election official to remove the Republican front-runner from the presidential ballot.

The former president's legal team filed a suit in Kennebec County Superior Court defending his eligibility for office and challenging the authority of Maine's secretary of state to disqualify him from its primary contest.

Maine's Democrat secretary of state, Shenna Bellows, issued a written decision on Thursday finding that Mr Trump incited an insurrection at the Capitol on January 6, 2021 following his loss in the 2020 presidential election.

His actions, she held, disqualified him from a second term under the 14th Amendment, which bars from public office those who swore to defend the US Constitution and then "engaged in insurrection or rebellion" against America.

Her decision came days after Colorado's highest court ruled that Mr Trump is ineligible for that state's ballot because of his actions on January 6. The ruling is likely to come under review by the Supreme Court ahead of this year's vote.

Similar legal proceedings have been unfolding in other states, and Mr Trump has won several initial decisions, and election officials in several other states, including Democrats in Massachusetts and Oregon, have said they wouldn't kick the former president off the ballot without a court order.

"The Secretary made multiple errors of law and acted in an arbitrary and capricious manner; and President Trump will be illegally excluded from the ballot as a result of the Secretary's actions," Mr Trump's lawsuit in Maine stated.

The former president's lawyers argued that Ms Bellows was a biased decision maker and that she had no authority to consider constitutional challenges to the former president's eligibility to hold office again.

State law, his lawyers said, limits the secretary of state's review to questions about a candidate's residence and party designation. State authorities in general aren't empowered to enforce the 14th Amendment disqualification provision without legislation from Congress, his lawyers said.

They also argued that the provision may not be applied to a former president and disputed that Mr Trump actually engaged in an insurrection. Some legal scholars say that requires proof that Trump engaged in the attack, not just encouraged or aided it.

In her decision, Ms Bellows said Trump "used a false narrative of election fraud to inflame his supporters" to "prevent a peaceful transfer of power." She accused him of engaging in "incendiary rhetoric" and failing to take timely action to stop the assault on the Capitol. She postponed the effect of her decision while Trump challenges it in court.

"I have confidence in my decision and in the rule of law," Ms Bellows said on Tuesday. "Everyone who serves in government has a duty and obligation to uphold the Constitution first above all."

Maine and Colorado are both holding their presidential primaries on March 5 as part of Super Tuesday and are required to send out ballots to overseas and military voters weeks before then.

President Joe Biden beat Mr Trump by 9 percentage points in Maine and 13.5 points in Colorado in 2020.

THE WALL STREET JOURNAL

# Candidate's team accuses 'biased' troops of assault

DIAN SEPTIARI
JAKARTA

The campaign team of Indonesian presidential candidate Ganjar Pranowo has accused the country's military of political bias after his supporters were allegedly assaulted by soldiers in Central Java.

Videos circulating online show soldiers in Boyolali on Saturday confronting a group of Ganjar supporters on motorcycles passing their barracks. However a military spokesman said the soldiers merely attempted to disperse the crowd. Seven civilians were injured with two requiring hospitalisation. Mr Ganjar was conducting a campaign in the regency at the time.

Secretary-General of Mr Ganjar's Indonesian Democratic Party of Struggle, Hasto Kristiyanto, suggested the soldiers may have been acting out of loyalty to leading presidential candidate and Defence Minister Prabowo Subianto, a former special forces commander dismissed from the military over human rights allegations. "We strongly protest against the actions of the military personnel involved. The military individuals are alleged to have acted in such a manner because there are elements within the military sympathetic to Mr Prabowo, even though he has already been discharged from the military," he said.

Touting the incident as "Boyolali tragedy", Mr Ganjar's team said the potential influence of military connections in the political landscape would raise questions about the extent to which such affiliations could affect the democratic process.

The Diponegoro Military Command identified six personnel allegedly involved in the incident and named them as suspects. The individuals are being investigated by the Surakarta Military Police in Central Java before their cases can be processed by military prosecutors and military courts.

Former TNI commander Andika Perkasa, now deputy chairman of Mr Ganjar's campaign team, said the soldiers could be charged for assault and unlawful detention, which may carry penalties of between five and eight years of imprisonment.

Mr Prabowo's campaign team insisted any violence needed to be investigated and dealt with according to the law.

"It's regrettable if the case in Boyolali becomes more politically charged than legal. We should trust this to the existing legal process. The military is a neutral institution; there's no need to involve them in political competition. Don't drag everything into the issue of military neutrality," said Meutya Hafid, deputy chairman of Mr Prabowo's campaign.

Under Indonesia's election law, the military cannot be involved in politics and some 444,000 soldiers have been barred from voting since 2004, though retired generals still wield considerable influence.

By remaining neutral for more than two decades, the Indonesian military has earned the highest public confidence. A Centre for Strategic and International Studies survey last month found that 91.2 per cent of respondents trusted the military.

# Balloons fly over Taiwan

**TAIPEI:** Four Chinese balloons were detected moving across the median line separating Taiwan from China, with three flying directly above the island, Taipei's defence ministry said on Wednesday.

A graphic released by the ministry showed three balloons headed northeast above Taiwan after appearing "southwest of Ching-Chuan-Kang", home to a military airbase in the western city of Taichung.

The lowest altitude measured for one of them was 3658m.

Tuesday's balloon incidents came less than two weeks before the self-ruled island will hold a pivotal election and was the second consecutive day such objects were detected above Taiwan.

The ministry began reporting them for the first time in December, publicly identifying six incidents. It said on Wednesday it was "closely monitoring and will take appropriate measures" on the balloons, depending on the "nature, altitude and possible hazards of the targets".

Conflict expert Ou Sifu of Taiwan's Institute of National Defence and Security Research said the balloons are "for military coercion and psychological warfare". "The election is coming and balloons are a kind of military intimidating tool," he said, adding China wished to influence more "pro-Beijing votes".

Beijing claims Taiwan as part of its territory.

AFP

# No consent to World Cup kiss: Hermoso tells court

AFP

Jenni Hermoso leaves the Madrid court on Tuesday

**MADRID:** Spanish World Cup-winning star Jenni Hermoso told a judge on Tuesday that the kiss forced on her by disgraced former Spanish football chief Luis Rubiales was "at no point consensual" and that she had come under pressure to defend his actions.

Arriving at the Audiencia Nacional in Madrid just before 10am, the 33-year-old went to testify before Judge Francisco de Jorge, who is investigating Rubiales on allegations of sexual assault and coercion.

"Now everything is in the hands of the justice system and that's all I can say," she told reporters on leaving court several hours later.

A judicial source said that she had "ratified the statement made at the public prosecutor's office that the kiss was completely unexpected and at no point was it consensual".

During the incident on August 20, the then head of Spain's RFEF football federation held her head in both hands and forcibly kissed her on the lips after Spain won the World Cup in Sydney. He has said the act was "a consensual peck" but Hermoso has insisted it was not. She filed a lawsuit against him in September and told the judge she had come under pressure to defend Rubiales, both on the flight back from Australia and on a subsequent team holiday to Ibiza in the Balearic Islands.

"After the event, the situation experienced by the victim, both on the flight back to Spain and during her stay in Ibiza was one of constant harassment by the parties under investigation, which disrupted her normal life, causing her anxiety and distress," the source said, quoting Hermoso's testimony.

Under Spanish law, a non-consensual kiss can be considered sexual assault — a criminal category that groups all types of sexual violence. Penalties for such a kiss range from a fine to four years in prison.

The 46-year-old Rubiales, who is subject to a restraining order banning him from being within 200m of Hermoso, is also accused of "coercion" for allegedly pressuring her to justify his actions, which were broadcast live round the world. The kiss provoked widespread outrage and prompted his suspension by world football governing body FIFA.

Rubiales appeared in court on September 15.

In October, the judge quizzed three others over allegations they also pressured Hermoso – former women's coach Jorge Vilda, men's team director Albert Luque and RFEF marketing boss Ruben Rivera. Numerous other witnesses have testified in court over the pressure faced by Hermoso, among them two-time Ballon d'Or winner Alexia Putellas and two other Spanish teammates.

AFP

# Strike kills Hamas deputy in Beirut

AYA ISKANDARANI
ADEL ZAANOUN
BEIRUT AND GAZA STRIP

The Israeli army said on Wednesday it was "prepared for any scenario" after a strike in Beirut killed Hamas's deputy chief, stoking fears its war in the Gaza Strip could spill over into a regional conflict.

Israel's war against Hamas, launched after the Palestinian terrorist group's October 7 attacks, reached Lebanon on Tuesday with the strike that killed Saleh al-Arouri along with his bodyguards.

Israel, which has vowed to destroy Hamas, has previously announced the killing in Gaza of the group's commanders and officials during the war, but Arouri is the most high-profile figure to be killed, and his death came in the first strike on the Lebanese capital since hostilities began.

Israeli army spokesman Daniel Hagari did not directly comment on Arouri's killing but said the military was "highly prepared for any scenario" in its aftermath.

Lebanese state media reported the strike hit a Hamas office in Beirut's southern suburbs, a stronghold of Lebanon's Iran-backed Hezbollah movement, a Hamas ally. Hamas TV also said Israel had killed Arouri, 57, in Lebanon, and Lebanese media reported a total of seven people were killed in the attack by an Israeli drone. The strike adds to widespread fears that the nearly three-month-old Israel-Hamas war could become a wider regional conflagration.

> 'Hamas people are hiding in their houses and the tunnels, while we don't find food or drink and are dying of cold'
>
> WOJUD KAMAL AL-SHINBARY
> GAZAN REFUGEE

Hamas said the killing would not lead to its defeat, while Hezbollah vowed Arouri's death would not go "unpunished". Hezbollah called it "a serious assault on Lebanon ... and a dangerous development in the course of the war".

Lebanese Prime Minister Najib Mikati condemned the killing and said it "aims to draw Lebanon" further into the Israel-Hamas war.

In a call with Israeli war cabinet member Benny Gantz after the strike, French President Emmanuel Macron urged Israel to "avoid any escalatory attitude, particularly in Lebanon".

Hamas's bloody attack on October 7 resulted in the deaths of around 1140 people in Israel, most of them civilians. Militants also took around 250 hostages back to Gaza – which has been ruled by Hamas since 2007 – of whom 129 remain in captivity.

After the attack, the worst in its history, Israel began a relentless bombardment and ground offensive that has killed at least 22,185 people, mostly women and children, according to Gaza's health ministry. The Israeli army says 173 of its soldiers have been killed fighting Hamas in Gaza.

On Tuesday, Israel's army said soldiers in Gaza had killed "dozens of terrorists", including some carrying explosives. It said they also raided a weapons storage compound in the southern city of Khan Younis and discovered long-range rocket launchers and tunnels.

The territory's Hamas-run health ministry said 70 people were killed and more than 100 wounded in the previous 24 hours during Israeli raids.

In Khan Younis, the Palestine Red Crescent Society said Israel twice struck its headquarters, resulting in "five casualties and three injuries" among displaced people who had sought refuge there and at a nearby hospital.

The head of the World Health Organisation denounced the alleged strikes, saying they "severely damaged" a Red Crescent training centre within the Al-Amal hospital. "Today's bombardments are unconscionable. Gaza's health system is already on its knees, with health and aid workers continuously stymied in their efforts to save lives due to the hostilities," WHO Director-General Tedros Adhanom Ghebreyesus said on X.

UN agencies have voiced alarm over Gaza's spiralling humanitarian crisis, which has left 2.4 million people under siege, most of them displaced and crowded into shelters and tents during winter rains. The WHO has warned of the risk of famine and disease, with only a minimal amount of aid entering. On Tuesday, a British ship delivered the first 87 tonnes of aid for Gaza – including thousands of thermal blankets – to Egypt from Cyprus, which proposed the maritime corridor initiative.

"Hamas people are hiding in their houses and the tunnels, while we don't find food or drink and are dying of cold. I have an infant, I can't get him diapers or baby formula," said Wojud Kamal al-Shinbary, who like many Gazans made her way to Rafah, in the south.

In early December, after a week-long truce that saw Israeli hostages freed in exchange for Palestinian prisoners, Aruri said there would be no more releases without a permanent ceasefire.

"The price to pay for the release of Zionist prisoners will be the release of all our prisoners – after a ceasefire," he said.

Arouri, who lived in exile, was accused by Israel of masterminding numerous attacks. He was elected deputy to Hamas chief Ismail Haniyeh in 2017, before being officially named the group's number two. In October, the Israeli army demolished Arouri's home in the disputed West Bank. After the death of his deputy, Haniyeh said that a movement "whose leaders fall as martyrs for the dignity of our people and our nation will never be defeated".

AFP

EDITORIAL P8

GETTY IMAGES, AFP

Rescue workers search the remains of the Beirut building hit by the Israeli airstrike that killed Saleh al-Arouri, top left

# Court ruling shows nation remains divided

ANAT PELED
CARRIE KELLER-LYNN
TEL AVIV

Israel's Supreme Court ruling this week invalidating a law that was at the centre of a contentious judicial overhaul was a reminder of the deep underlying divisions in Israeli society put aside during the war in Gaza – tensions that could erupt once the conflict is over.

The law – which was put forth by the government of Prime Minister Benjamin Netanyahu and would have curtailed the power of Israel's courts – was deeply divisive. It ignited one of the largest and most sustained protest movements Israel has seen, bringing hundreds of thousands of people out on the streets over months.

With the country now focused on the conflict in Gaza, which is approaching its fourth month, reaction to the ruling has been relatively muted.

Bitter divisions between Mr Netanyahu and opposition parties are on the back burner for the moment. The Prime Minister currently heads a cross-party emergency government formed to lead the country during the war, which began following the October 7 attack by Hamas militants on southern Israel. But in the wake of the intelligence failure ahead of the October 7 attack, Mr Netanyahu's popularity has plummeted in the polls while calls for his ouster have increased, raising the risk of snap elections once the war ends.

"Right now it seems that the war overshadows everything," said Amichai Cohen, a legal scholar at the Israel Democracy Institute. "But the basic tension remains."

AFP

Benjamin Netanyahu

A mid-December poll by the Israel Democracy Institute found that 69 per cent of Israelis want elections immediately after the war ends, including a majority of right-wing voters.

Benny Gantz, a member of the emergency government and a figure some believe could challenge Mr Netanyahu in the next election, has said that his current alliance with the Prime Minister is based on wartime emergency rather than any political alignment. At the same time, far-right coalition partners are pushing for a post-war vision of Gaza that is at odds with Mr Netanyahu's plans.

Mr Netanyahu hasn't explicitly addressed Monday's court ruling. His Likud party and its allies decried the decision, but indicated that the fight shouldn't be reignited during wartime.

"The high court chose its war," said Simcha Rothman, one of the judicial overhaul's main proponents, told Israeli television. He and his coalition remain focused on the war with Hamas and changes to the judicial system should be dealt with after that ends, he said. Many organisations that led the massive protests against the overhaul have shifted their attention to helping with wartime efforts, such as aiding hostage families.

The law struck down on Monday by the Supreme Court would have taken away the court's powers to abrogate government decisions it deems to be "unreasonable in the extreme".

Mr Netanyahu and his allies have argued that activist, liberal judges hold sway over the court and that the law sought to restore a proper balance of power. Opponents say that the law would have undermined the court's role as a check on executive and legislative power and would erode Israel's liberal democracy.

Roee Neuman, a leader of Kaplan Force, one of the groups that led the protests against the overhaul, lauded the court's decision but believes that the battle over what he sees as the future of Israel's democracy isn't over. The government and its allies could try other ways to weaken the independence of the courts and undermine democratic checks and balances, he said.

Gideon Rahat, a political scientist at the Hebrew University of Jerusalem, says protests against Mr Netanyahu were muted for now due to the war and the fact that many protesters are serving in reserves. But "if Netanyahu acts unwisely he will light that match again and then we will see thousands in the streets", he said.

Some analysts say the ruling coalition's strategy to weaken the courts could shift to quieter initiatives, in contrast to the high-profile attempt to pass the previous law. The Supreme Court's composition has shifted rightward, as the government has blocked efforts to replace two liberal judges who recently retired, with Monday's ruling expected to be their last major decision. A third liberal judge will retire this year, potentially leaving the court with three vacant spots.

Some analysts, such as Cohen of the Israel Democracy Institute, say the government could also try to quietly undermine the authority of legal advisers – who are embedded within their ministries but are independent of the government – without passing new legislation. The coalition official said that wasn't part of their plans.

THE WALL STREET JOURNAL

## Maersk pauses transit through Red Sea after attack

MICHAEL SUSIN

**Danish shipping giant AP Moeller-Maersk said it would pause all transit through the Red Sea and Gulf of Aden until further notice following the attack on its vessel Maersk Hangzhou on December 30.**

**The shipping company said on Tuesday an investigation into the incident was continuing and that some vessels would be rerouted to continue their journey around the Cape of Good Hope in South Africa.**

**Maersk Hangzhou, a Singapore-flagged container vessel that operates between Europe and Asia, came under missile attack on Saturday evening, the US said. Four boats later approached the vessel, shot at it and attempted to board it, according to Moller-Maersk.**

**Early Sunday, helicopters from nearby US Navy vessels responded to fire coming from boats controlled by Houthis, an Iranian-backed rebel group in Yemen, sinking three of them and killing the crews, the US said. The fourth boat fled.**

**The Houthis later claimed the attack and said they lost 10 fighters in the encounter.**

**Earlier on Tuesday, Hapag-Lloyd said it would continue to avoid Red Sea transits and reroute its vessels around the Cape of Good Hope until at least January 9 in response to the recent attacks.**

THE WALL STREET JOURNAL

# Harvard chief forced to resign

ALISTER DAWBER
HUGH TOMLINSON
WASHINGTON

The president of Harvard University resigned overnight on Tuesday after criticism of her handling of anti-Semitism on campus and claims of plagiarism.

In doing so, Claudine Gay, 53, became the shortest-serving president in the 388-year-old college's history, having been appointed just six months ago.

"It is with a heavy heart but a deep love for Harvard that I write to share that I will be stepping down as president," she said.

Her resignation comes after a dual crisis rocked one of America's elite universities.

During an appearance last month before a congressional committee investigating anti-Semitism on American campuses, Professor Gay was asked whether calling for the "genocide of Jews" would violate the university's rules on bullying and harassment.

Professor Gay, a political scientist and the first black person and only the second woman to lead the Ivy League university, replied: "It can be, depending on the context."

Her comments provoked a storm of anger, with some Jewish students saying they felt unsafe on campus.

Harvard issued a statement saying that Professor Gay had "acknowledged missteps and has taken responsibility for them" and was the victim of "repugnant and in some cases racist vitriol directed at her through disgraceful emails and phone calls".

Pro-Israeli and pro-Palestinian protests have become commonplace on American university campuses since the Hamas terrorist attacks on October 7, and the war in Gaza.

Claudine Gay

Harvard had established an anti-Semitism committee in response to the protests, many of which include calls for a Palestinian uprising and chants widely seen as anti-Semitic.

David Wolpe, a rabbi, resigned from the committee last month in light of Professor Gay's testimony before Congress.

Professor Gay received the unanimous backing of the Harvard governing body, which defied calls from politicians and donors for her to be fired. The dispute was quickly followed, however, by allegations of plagiarism in her academic work.

Harvard said last month that its review of the claims, including an independent investigation by outside panellists, had uncovered instances of "duplicative language" in Professor Gay's past scholarship but that it did not merit disciplinary action.

She defended her work in a statement on December 11. "Throughout my career, I have worked to ensure my scholarship adheres to the highest academic standards," she said.

The row refused to die, however, with further allegations of plagiarism issued in a complaint published on Monday by The Washington Free Beacon, a conservative online journal.

Professor Gay becomes the second US university president, after Liz Magill at the University of Pennsylvania, to resign following an appearance in front of House of Representatives committee last month to discuss anti-Semitism on campus.

Members of Congress tried to take credit Tuesday for Professor Gay's resignation, as did conservative activists who amplified the plagiarism accusations.

Republican representative Elise Stefanik – who had asked professors Gay and Magill as well as Sally Kornbluth of the Massachusetts Institute of Technology to answer "yes" or "no" to whether calls for the genocide of Jews violated university policies – called Professor Gay's resignation a personal victory.

"I will always deliver results," Stefanik, a Harvard alumna, said on X on Tuesday. "Claudine Gay's morally bankrupt answers to my questions made history."

THE TIMES

# Turkey detains 34 suspected Israeli spies

DMITRY ZAKS
ISTANBUL

Turkey announced on Tuesday it had detained 34 people suspected of planning abductions and spying on behalf of Israel's Mossad intelligence service.

The raids came just weeks after President Recep Tayyip Erdogan warned of "serious consequences" should Israel try to target figures from Palestinian militant group Hamas living or working in Turkey. Turkey does not view Hamas as a terrorist organisation and has hosted the Islamic group's political leaders for much of the past decade.

A Turkish security source said that most of the 34 people detained were foreign nationals whom Mossad recruited for "operations targeting Palestinians and their family members".

"We are determined to ensure that absolutely no foreign intelligence agency can operate on Turkish soil without proper authorisation," the source said.

The Turkish government released video footage showing armed security service agents breaking down doors and handcuffing suspects in their homes.

The Istanbul public prosecutor's office said 12 additional suspects remained at large.

A man is arrested by security officers in Istanbul during what Turkey claims is a crackdown on Israeli agents

"There is an insidious operation and sabotage attempts being made against Turkey and its interests," Mr Erdogan said after the raids were announced.

Relations between Turkey and Israel imploded following the outbreak of the war in Gaza nearly three months ago.

Mr Erdogan has turned into one of the world's harshest critics of Israeli Prime Minister Benjamin Netanyahu. The Turkish leader last week compared Mr Netanyahu to Adolf Hitler and demanded that Israel's Western allies drop their support for the "terrorism" being conducted by Israeli troops in Gaza.

Mr Erdogan has also recalled Ankara's envoy to Tel Aviv, and pushed for the trial of Israeli commanders and political leaders at the International Criminal Court in The Hague.

The President's ruling Islamic, conservative AKP party also led tens of thousands of protesters out on the streets of Istanbul on Monday for one of Turkey's biggest rallies against the Israeli government of the entire war.

The war in Gaza has put an end to a gradual thawing in Turkish-Israeli relations that culminated with the reappointment of ambassadors in 2022. Israel and Turkey resumed long-stalled talks about a major Mediterranean Sea natural gas pipeline project that could have reshaped geopolitical alliances across parts of the Middle East.

Turkey won words of gratitude from Israel in 2022 for detaining a group of Turkish and Iranian nationals who were allegedly planning to murder and kidnap Israeli tourists in Istanbul. Mr Erdogan and Mr Netanyahu met on the sidelines of a UN General Assembly in New York in September and were discussing holding a formal summit this year.

The Turkish MIT intelligence service conducts periodic raids against suspected Israeli operatives working in major cities such as Ankara and Istanbul. Most are accused of conducting surveillance work on Palestinians.

Istanbul served as one of Hamas's foreign political offices until the outbreak of the Gaza war.

Turkey informally asked Hamas leaders to leave after the October 7 attack.

AFP

# Mossad boss who led hunt for Black September dies at 98

**JERUSALEM:** Former Israeli spy chief Zvi Zamir, who headed Mossad during the 1973 Yom Kippur War, has died at the age of 98.

Major General Zamir, who led the agency between 1968 and 1974, pioneered a strategy that endures to this day: deploying secret operatives abroad to assassinate Israel's enemies.

"His tenure as director of the Mossad was characterised by extensive action, while dealing with significant challenges," a government statement said overnight on Tuesday.

That includes "the fight against Palestinian terrorism" as well as the "military threat to the State of Israel, which peaked with the outbreak of the Yom Kippur War", it said.

General Zamir died on Monday night, the government said, without specifying the cause of death.

Mossad led "daring" counter-terrorism operations under his tenure, including a global hunt for the leaders of the Palestinian militant group Black September, which was blamed for the 1972 murder of Israeli Olympic athletes in Munich. General Zamir spearheaded the "Wrath of God" operation to hunt down senior militants Israel blamed for the Munich bloodbath.

Zvi Zamar in 1979

On his watch, Mossad also expanded clandestine links with regional powers and recruited sources and spies. The most prominent among them was Egyptian spy Ashraf Marwan, nicknamed "The Angel".

Marwan, son-in-law of then Egyptian president Gamal Abdel Nasser and adviser to his successor Anwar Sadat, was suspected of being a double agent who alerted the Mossad to an imminent attack on the eve of Yom Kippur in 1973. On October 6, 1973, Egypt and Syria launched a surprise attack on Israel during the Jewish fast of Yom Kippur to try to win back their lost territories. Israel prevailed but suffered heavy losses, especially in the initial days of the war, as the government failed to fully mobilise after General Zamir sounded the alarm.

"It burned him up inside that he didn't succeed in getting the Israeli government to try and counter the surprise attack by Egypt and Syria sooner," Danny Yatom, another former Mossad chief, was quoted as saying by the Israeli media.

Six years later Egypt became the first Arab state to sign a peace deal with Israel.

Since its creation 75 years ago, Israel has been in conflict with the Palestinians and its Arab neighbours. The attack by Hamas on October 7 – which has spiralled into all-out war in the Gaza Strip – has evoked parallels with the 1973 conflict.

AFP

THE AUSTRALIAN

# A bigger public service is not the answer to economy

*Labor states show what not to do to tackle inflation and productivity*

It should not take a financial genius to realise that unrestrained growth in the number of public servants is inexorably linked to the poor budget outcomes being experienced by ill-disciplined state governments. High wage costs represent recurrent expenditure that must be covered regardless of other budget imposts and whatever happens to revenue. Unless higher employee numbers are delivering measurable improvements in the quality and quantity of services, they represent a drain on productivity. The issue is compounded by rising interest rates that have changed the outlook for highly indebted governments, as well as for private businesses.

Victoria is the exemplar of poor budget management, topped off by profligate spending on an ever less productive public sector. The two things are not unrelated. As we report on Thursday, the number of Victorian government employees has jumped by 60 per cent across the past 15 years and at double the pace of population growth. Experts have warned the bloated public service will make it harder to repair the state's budget and pay down debt levels that are now equal to those of Queensland, NSW and Tasmania combined. Analysis shows increased spending on Victoria's public service has resulted in higher staffing per capita in key services such as education and policing but not necessarily better services or living standards than in other states.

High public sector growth is something state Labor governments share in common. In Queensland and Western Australia there has been a 40 per cent increase in public sector workforce numbers, but there also has been a 30 per cent increase in population. In NSW, consecutive Liberal governments helped to contain the increase in headcount to 28 per cent between 2008 and last year, less than half the rate of Victoria.

The hiring ill-discipline is not confined to Labor states. Australian Bureau of Statistics figures released in November last year revealed an almost 10 per cent jump in the number of Canberra-based public servants, driving a $1bn lift in the annual wages bill in the year to June 2023. As chief political correspondent Geoff Chambers observed at the time, Labor's obsession with public service jobs, which are driving historically low unemployment rates, comes amid severe skills shortages, hundreds of thousands of job vacancies, 13 interest rate hikes, sluggish growth, and concerning global economic headwinds.

These considerations must be front and centre for what Anthony Albanese said on Wednesday was his big priority for this year: to provide cost-of-living relief while taking pressure off inflation. The Prime Minister said he wanted to "take the pressure off people who are feeling pressure as a result of global inflation". Mr Albanese was correct to say that distributing additional cash to people would "make inflation worse" and therefore would not help to solve the problem. He said he had asked the departments of Treasury and Finance for ideas and advice.

To have an impact, Mr Albanese should first follow the advice of proven economic managers John Howard and Peter Costello, who have urged the federal government to ignore left-wing pressure to repeal or amend the stage three tax cuts. They said budget surpluses should be banked, not spent, to acknowledge the historically high terms of trade. Further tax reform, including an increased GST, should be on the table to pay down state and federal government debt.

Mr Albanese's real challenge is to contain public sector spending, including wage growth, and to push stop on changes to industrial relations laws that will make the workplace less flexible. These things are harder to do than boosting the number of unionised public servants at a time of acute labour shortages. But Mr Albanese has identified the challenge, and the time to act is now.

# World Heritage has split leaders

*Cape York proposal has the hallmarks of a vanity project by Labor*

A UNESCO World Heritage listing for Cape York has been a long-term ambition for Labor federally and in Queensland but it is one that has not been shared by all of the area's Indigenous groups, who first must give their free and informed consent. With a Queensland election looming, it is no surprise that former federal environment minister, rock singer Peter Garrett, and veteran environmentalist Don Henry have been pushed into service in another attempt to get things over the line.

World Heritage listings play well for inner-city green groups who want to frustrate mining projects and other economic developments in remote locations. But the green tape that comes with UNESCO oversight is not necessarily as attractive for the people who work and live there. Repeated attempts to list parts of Cape York have proved difficult for successive governments because of a lack of Indigenous agreement.

Former environment minister Tony Burke spent a lot of time trying to secure agreement before the idea was scuttled in 2014 by the Abbott government and Campbell Newman in Queensland. Ironically, free and informed consent is a condition of the World Heritage listing process that was introduced after the Hawke government failed to consult the Eastern Kuku Yalanji people over a World Heritage listing of the Daintree.

The resurfaced Cape York ambition is an opportunity for the Albanese government to deliver on its promise to give Indigenous leaders a voice on decisions that will affect them. The evidence is, however, that there is not a unified view among Cape York Indigenous leaders. Gerhardt Pearson, executive director of the Balkanu Cape York Development Corporation, said the listing proposal was a cynical exercise linked to the expansion of exploration permits and leading up to the October state election.

Labor is reluctant to outline what it hopes to include in a proposal to UNESCO for a "tentative listing". But a World Heritage listing would give the federal government automatic standing in development decisions in the area under the Environment Protection and Biodiversity Act. For this reason, even a tentative listing would act as an insurance policy for green groups in the event of a future LNP state government.

As things stand, the Cape York proposal has all the hallmarks of being a vanity project by Labor calculated to win the support of inner-city environmentalists who are unlikely to ever visit Cape York, let alone live there.

# Hezbollah must pull back forces

No one should be remotely surprised by the drone strike that killed senior Hamas leader Saleh al-Arouri and other terrorist officials on Tuesday while they were meeting in Dahiyeh, Hezbollah's Beirut bastion. As the notorious deputy to Hamas's supreme political leader Ismail Haniyeh, Arouri, 57, had a large target on his back. He was considered the terrorists' senior military leader outside Gaza and is said to have been the only Hamas leader not in the Gaza Strip who had prior knowledge of – and presumably was heavily involved in – the planning and execution of the unspeakably barbaric October 7 pogrom in which 1200 Jews were slaughtered. His death is the most high-profile so far following Israel's understandable pledge that "anyone involved in the October 7 massacre should know that we will reach them and get even". But it is unlikely to be the last, given the shocking depravity of the terrorists' actions.

The precision of the Israeli strike, launched only after Hezbollah and other non-Hamas officials had left the Hamas office, is vital to any assessment of the likely consequences of Arouri's killing, especially fears that it could lead to Hezbollah's terrorist "army of God", with its tens of thousands of trained fighters and massive stockpile of Iran-supplied rockets and missiles, joining the onslaught against Israel more forcefully than previously. It sends a clear message to Hezbollah leader Hassan Nasrallah that Israel is not interested in any sort of escalation in the conflict on the border between Israel and Lebanon.

While any hand-wringing about Arouri's fate and that of other Hamas thugs involved in the October 7 pogrom is absurd, there is also a need for caution by Israel, especially given that upwards of 100 hostages seized on October 7 remain in terrorist hands. Hezbollah, in responding to Arouri's assassination, has warned that what it says was a serious assault on Lebanon's sovereignty "will not go unpunished" and the so-called "axis of resistance" against Israel has "its finger on the trigger".

Any full-scale involvement by Hezbollah in the war undoubtedly would lead to a far wider conflict across the Middle East, with global implications far greater than those currently being seen in relation to the war in Gaza. It is imperative that the Biden administration redoubles its efforts to secure an agreement with Hezbollah to pull its forces in Lebanon back from the Israeli border, where they have carried out more than 200 attacks since October 7.

# LETTERS

## Move on from voice failure and old Indigenous leaders

As usual Janet Albrechtsen makes a reasoned call for a refocus on the problems facing many Indigenous Australians, with the elite supporters behind the voice stepping back ("Time for a new generation of Indigenous leaders to step up", 3/1). This has already occurred in the eyes of mainstream Australians, who heeded the arguments of Jacinta Nampijinpa Price and Nyunggai Warren Mundine at the referendum.

A greater problem is that Labor state governments are pressing ahead with racially divisive treaties – described as Makarrata in the Uluru Statement from the Heart – as if two-thirds of Australians had not rejected them.

When trouble erupted at Alice Springs last year, Anthony Albanese hit the town briefly for photo opportunities, ignoring the public meeting nearby. This was, and probably still is, emblematic of a mindset that listens only to what it wants to hear, and is blind to the problems in housing, health, employment and education.

In 2022 one of Labor's first actions in government was to lift Northern Territory grog bans in Indigenous communities, which had actually requested them, as they were discriminatory. Even now there is pressure to close boarding colleges set up for Indigenous students, as these remove them from their culture. As Price maintains, Indigenous Australians are not a single people with one mind, marching to the same drum, and should be treated accordingly, like the rest of us.

**John Morrissey,** Hawthorn, Vic

Janet Albrechtsen's new year's resolution for a new Indigenous leadership desperately needs to come to pass: the old gatekeepers, full of grievance, need to move on.

On October 14 last year, most of the nation decided that while they do wish to see improvements in our most remote and rural townships, amending our nation's colourblind rule book with an untested and contentious new chapter was not the best way forward.

Instead, they rightfully demanded greater accountability from existing land councils, agencies and corporations, which are supposed to be at the coalface of improving the lot of Indigenous citizens.

It was also a vote against the usual narrative levelled against the Australian population on January 26 each year that we are essentially an illegitimate nation, in need of yet more apologies, more hand-wringing and more acknowledgments.

Indigenous leaders such as Jacinta Nampijinpa Price and Nyunggai Warren Mundine know the real deal, which is that change is a dripping tap – it's hard, long term, often painful, and takes a truckload of perseverance and patience.

Ultimately it must involve citizens having economic participation and taking agency in refusing to be bound by an imposed status of victimhood. It is also measured over lifetimes, not in government terms. Absolutely nothing will be achieved by more bouts of supposed truth-telling or the states trying to achieve treaties among sovereign citizens by stealth.

What is ultimately needed for meaningful transformation within Indigenous affairs is not yet more administration but aspiration.

**Peter Waterhouse,** Craigieburn, Vic

Yet another excellent article by Janet Albrechtsen. Noel Pearson was reported to have claimed that Indigenous affairs were in a worse state than before the October 14 referendum. If this is the case then there is no one to blame other than the current government. One should ask: what is the National Indigenous Australians Agency doing?

The NIAA was established in 2019 with a staff of 1400 across 70 locations Australia-wide and with annual resourcing at $4.3bn by the previous Coalition government. Its primary functions were to "lead and co-ordinate policy development, program design and implementation and service delivery for Aboriginal and Torres Strait Islander peoples; provide advice to the Prime Minister and the Minister for Indigenous Australians ... (and) lead and co-ordinate the development and implementation of Australia's Closing the Gap targets", among other, similar, Indigenous-specific responsibilities.

Similar responsibilities to those proposed by the Yes campaign? Yet there was scant mention by either side about the NIAA. Where is Indigenous Australians Minister Linda Burney, to tell us what the NIAA is doing to fulfil its responsibilities?

**Tiit Tomuri,** Cowra, NSW

## Price lift for household solar would confirm our system's broken

There is a bitter irony that should not be missed in Colin Packham's report: negative prices for daytime wholesale power are cited as one of the reasons that energy retailers have demanded a hike in the default electricity tariff for consumers ("Solar energy rush risks power price surge", 3/1). There are good reasons for this.

The main system with all its fixed costs is still required, including by customers with rooftop solar panels. Not only must those fixed costs be recovered over fewer kilowatt hours but the solar PV itself makes the grid system more expensive to operate: a double whammy. Johannes Leak captured this well in his earlier cartoon of the household gathered around the kitchen table with their rapidly rising power bill: "If renewables get any cheaper we're stuffed!"

**Stephen Wilson,** Nundah, Qld

Surprise, surprise, our electricity bills look like going up yet again to allow energy retailers to make up for the freebies paid to households on solar. The mere point that household solar, as well as industrial solar, is subsidised in the first place destroys the myth that renewables are cheap. The inevitability that subsidies and freebies are eventually borne out by increased prices and taxes has materialised.

Since the integrated energy oligopolists have been at the forefront in promoting renewables in the hope of gaining from the renewables gravy train, they don't deserve further profit protection at the cost to consumers and should pay the consequences for their incompetent decision-making.

**Ron Hobba,** Camberwell, Vic

Householders who heeded the loud and ongoing exhortations of governments, both federal and state, to install rooftop solar systems and later batteries would find the report by Colin Packham on The Australian's front page as absolutely incredible.

Given we were advised that householders could make significant cost savings and would be able to contribute to the power network, it is perplexing that it now seems to be our fault for the current difficulties being experienced by energy retailers.

I received 24c per kilowatt hour when I first installed my solar panels and my three-month electricity bills did not exceed $100 for autumn and winter and were under $50 for spring and summer, a magnificent investment, I thought. Today, as a single occupant of my home, which has a battery installed, I receive 10c per kilowatt hour and my monthly bill in May was $117.30 and in October $70.61. I can't imagine what the size of bills for families with children and without solar would be.

Along with this demand, energy retailers have also indicated that they wanted to keep in place a set profit margin for their industry. Perhaps households should request that our government afford us a similar opportunity by providing us with a guaranteed amount from our income that we can put away as savings.

**Ian Macgowan,** Ceduna, SA

The Australian's front page, Wednesday, January 3

## Super to the rescue?

In his media conference on Wednesday, Anthony Albanese revealed his government was committed to tackling the cost-of-living crisis.

"Our priority will be to provide cost-of-living relief while taking pressure off inflation," he said.

The most effective non-inflationary way to help struggling mortgage-holders would be to allow conditional access to their own superannuation funds.

Conditions might include limiting access to owner-occupiers who have no other property investments, withdrawals not to exceed 80 per cent of the value of their home, the "super advance" to be repaid to their superannuation fund if the property against which the advance has been made is sold, and access to an individual's super is a once-only opportunity.

This proposal does not restrict national financial accounts as it simply shifts ownership of the asset, the dollar value of the home, from the superannuation funds to the banks, which will reinvest those dollars just as the super fund would.

If the ALP is not prepared to do this, the Coalition surely will.

**Roger Duce,** Greenway, ACT

## Employment blunders

The ALP government is enacting policy changes that are having a negative effect on the economy as a whole, especially small business, farming and horticulture. The government, having no prior experience of running a functional employment system, instead is damaging infinitely flexible employment arrangements that suit small businesses; it is now putting in rigid structures that work against small business and potential employees at the same time. How can farmers possibly afford to pay people a minimum of 30 hours a week when there is often enough bad weather, which means harvesting is impossible, and farmers and producers require as much flexibility as possible? Producers are dictated to by the weather and the market, and therefore need flexibility so they make a profit, not a loss.

**Graham Thomas,** Kadina, SA

## LAST POST

I'm interested to know, had a Catholic cardinal or bishop (just imagine were it George Pell) or a Jewish rabbi stood at the lectern and used the same hate-filled terminology currently on show at Sydney's largest mosques, would their venomous words have been ignored by officialdom ("Radical Sydney cleric labels Australia's New Year's Eve celebrations a 'celebration of foreskin'", 1/1)? Fair's fair, and there's nothing fair about these putrid sermons, so what's the official line?

**Rosemary O'Brien,** Ashfield, NSW

El Nino turns into El No-no. Weather forecasting, protests the Bureau of Meteorology, isn't an exact science, especially when it's driven by ideology. Yet the same prognosticators can tell you the planet's exact temperature 100 years hence.

**Trevor Farrant,** Hackney, SA

Alas for those Australians who proudly hail Mary of Hobart as Denmark's new Queen, take a look at how the front page banner on Britain's Daily Telegraph proclaimed "How a Scot became Queen of Denmark".

**Tina Faulk,** Gladesville, NSW

Regarding the report on Xi Jinping's corruption purges, a Chinese acquaintance told me some years ago: "Under Mao, only Mao was corrupt, now everyone is corrupt."

**Ian Collie,** Aspley, Qld

Is the present-day Gazan war a historical symptom of Orientalism versus Occidentalism, whereby Orientalism is a Western reading of the East and Occidentalism is an Eastern reading of the West?

**Kenneth Gregson,** Swansea, Tas

I agree with Kerry MacDermott (Letters, 3/1), who urges the Taiwanese to start thinking like the Ukrainians or Israelis if they want to shake off the constant threat of Chinese invasion. I'd go one step further by urging us to do likewise because I'm beginning to feel the heat that boiled the frog. Or is that a bridge too far for this team?

**Graham Barnett,** Eagle Point, Vic

The Australian's editorial on the broken power system is spot-on ("Broken power system still fuelled by calls for subsidy", 3/1). Add another Band-Aid to the list: Energy Minister Chris Bowen's turbocharged Capacity Investment Scheme for renewables. His department describes it as "a long-term safety net that decreases financial risk for investors". How imaginative!

**Jennie George,** Mollymook, NSW

What does Australia's Assistant Minister for the Republic actually do? Is it like the hospital with no patients?

**Leo Oostveen,** Murarrie, Qld

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BOOKSHELF | NORMAN LEBRECHT

# Peripatetic exile never stopped looking back home

Pianist Arthur Rubinstein once found himself invited to dinner in Hollywood with the Rachmaninoffs and the Stravinskys. Russia's greatest living composers had never met before, and conversation was monosyllabic. After a while Rachmaninoff started baiting Stravinsky about how much money he had lost when the Soviet government had seized all private copyrights, including those for Petrushka and Firebird.

"What about your C# minor prelude and all those concertos?" cried Stravinsky. Rubinstein reports that they spent the rest of the evening happily comparing losses, united in a common history.

Goodbye Russia, a biography of Rachmaninoff "in exile" by British music critic Fiona Maddocks, has a slightly misleading title since Russian composers never stop looking back.

The Sergei Rachmaninoff who left Russia in 1917 was 44, famous for three or four works. He had sunk his last kopeck into the family lands and arrived penniless in Copenhagen, where his wife, Natalya, blackened her hands on wood-burning cookers while Rachmaninoff limbered his fingers up to play piano for a living.

After a warm-up twirl of Scandinavia, he received an offer of 25 recitals in the US and borrowed money to pay for the fare. Composing was no longer a priority and inspiration was anyway drying up. The last third of his life would yield just six new scores.

Rachmaninoff arrived in New York with his wife and two daughters, checking in at the Hotel Netherland. The press was told Rachmaninoff had turned down a Boston Symphony invitation to become music director, no longer interested in being a conductor. Rachmaninoff dedicated his spare time in exile to revising his juvenile first concerto in the hope of expanding his composer portfolio.

By the end of his first season in the US, Rachmaninoff was able to afford a secretary and book a summer retreat on San Francisco Bay. Invitations poured in from orchestras for him to perform his second and third piano concertos, most persistently from Philadelphia, where two successive music directors, Leopold Stokowski and Eugene Ormandy, secured first refusal on any future works.

Russia was never far from Rachmaninoff's mind. He wrote frequently to cousins left behind, to friends and fellow musicians. He sent cash and care packages, offering 50,000 German marks to composer Nikolai Medtner and 500 French francs to a desperate librettist. Kindest of all, he supported the infirm Alexander Glazunov, a senior figure who had conducted Rachmaninoff's first symphony in 1897 while drunk, plunging the young composer into three years of depression that was relieved only with psychiatric help.

Rachmaninoff, bearing no grudge, never refused a Glazunov request. The correspondence that Maddocks brings to light reveals a sense of collegial responsibility and unassuming Christian charity.

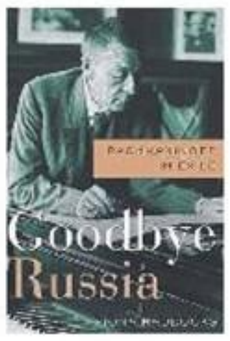
Although the US was Rachmaninoff's refuge, he maintained an annual presence in Europe, performing in prime concert halls and visiting Paris, where his older daughter, Irina, lived with her husband, Prince Peter Volkonsky. In 1925, just before the birth of Rachmaninoff's first grandchild, Volkonsky died suddenly. Maddocks gives us delicately to understand that the prince died by suicide at an asylum while in the grip of religious mania. Rachmaninoff could not bring himself to refer to the disaster.

To support his daughters, he set up a Paris publishing company to produce Russian books and music. In the summers he gathered the family in rented mansions in the south of France, later in a villa he built in Switzerland on the shores of Lake Lucerne. He named the house Senar, entwining the first syllable of his first name with his wife's. Theirs was a symbiotic union of first cousins. In four decades of marriage, Rachmaninoff was conspicuously uxorious, never known to stray.

World War II confined him to the US. Diagnosed with melanoma and depressed by war news from Russia, he died on March 28, 1943, three days short of his 70th birthday. In the past decade Vladimir Putin's Russia has applied to repatriate Rachmaninoff's remains from a cemetery in Valhalla, New York, and to buy up his villa at Senar. Both bids were resisted, and the villa has been lately restored for public visitation.

Maddocks quietly reframes Rachmaninoff's context as a man of the world – belonging not to Russia or the US but to civilisation as a whole, basking in its inventions and distractions, balancing life's joys and sorrows in his ever-enduring concertos. In the right mood, Rachmaninoff would have made a wonderful dinner guest.

THE WALL STREET JOURNAL



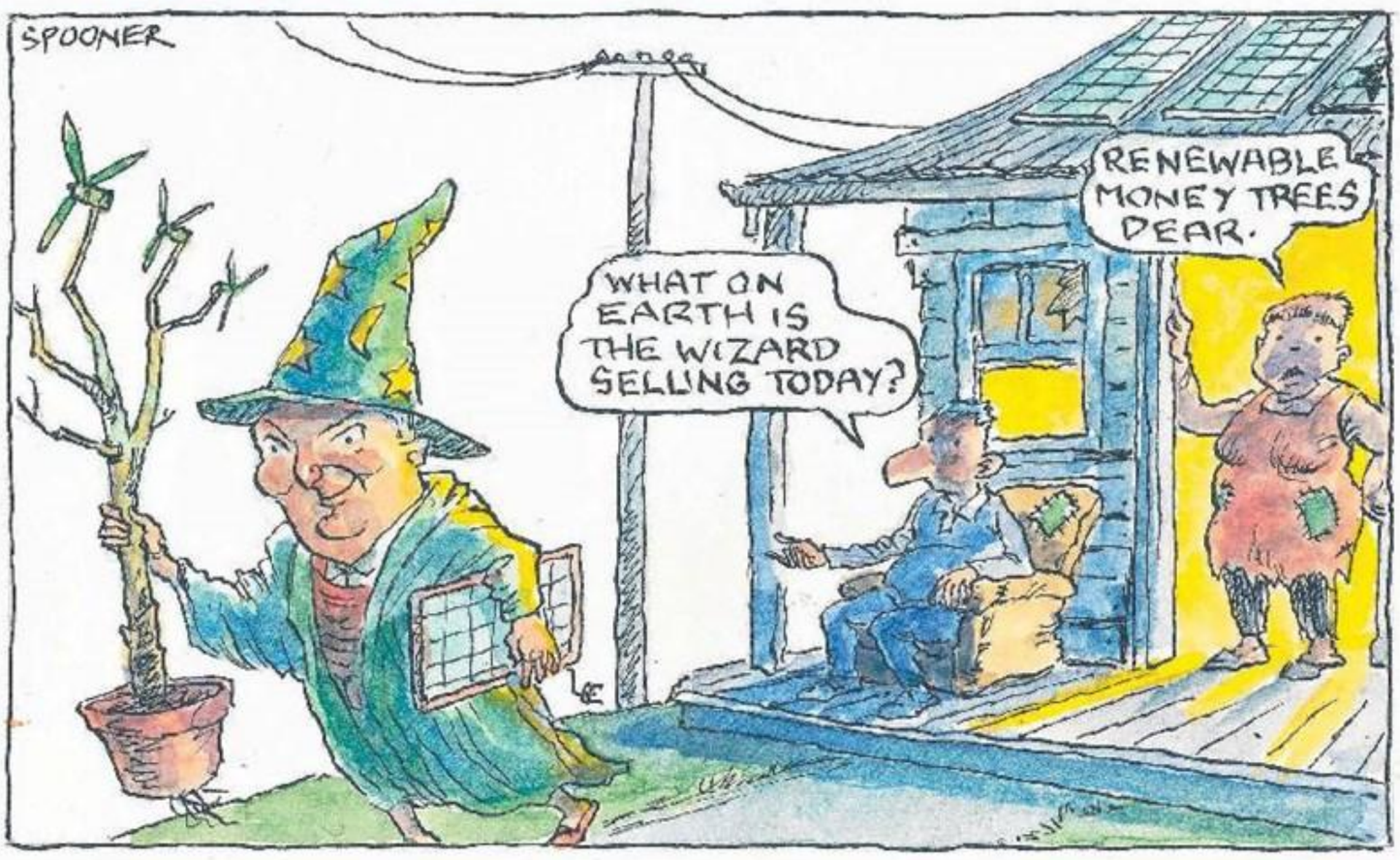

**Goodbye Russia: Rachmaninoff in Exile**
By Fiona Maddocks
*Pegasus Books, 348pp, $29.95*

**Review**

More book reviews in **The Weekend Australian**

# COMMENTARY

## DAILY CARTOON | JOHN SPOONER




## TIMOTHY LYNCH

# For Yanks, US sport the only game in town

My father-in-law died in August last year. Two months later his beloved Texas Rangers won, for the first time, the baseball World Series. American sport was how I bonded with Don.

It was also the source of our longest argument: why didn't he take international sport seriously? A man who never travelled abroad – he could count on two hands the number of American states he had visited – he had no time for international sport.

The rivalries of the football (soccer) World Cup bemused him. Sweden v Brazil? Who cares? He told me he'd rather stab out his eyes with a spoon than watch "foreign kickball".

Don was unique in many ways. But he had a distrust of sport between nations that is enduringly American. While the US could dominate pretty much any sport it wanted, given its size and wealth, it has underused team sport for nationalistic purposes.

No one cares when Americans play international team sport. Don, like so many of his fellow citizens, found something un-American in it. American nationalism does not need validation by beating foreigners on grass. English and Australian nationalisms do. The pinnacle of achievement for an English footballer is to play Germany or Argentina at the World Cup; for an Aussie batsman, to win the Ashes.

But an American baseball player? His goal is to win a "world series" in which teams from only two nations (Canada and the US) compete. An American football player has no foreign field on which to prove himself. When the NFL travels to Frankfurt or Wembley, the spectacle is bizarre.

Some very odd non-Americans, in my experience, choose to follow US sports in preference to their own indigenous alternatives. They are almost as weird as people who love no sport at all.

Why is American team sport so isolationist? One answer is how different structurally US sports are from those of other nations.

Leagues are run as closed shops; teams suffer no relegation for failure.

Another explanation is how unexportable US sports have proved. India has used an English game to assert its nationalism. The West Indies, Pakistan, South Africa, and, of course, Australia love cricket as a way of sticking it to their former colonial masters. The American empire has produced no equivalent.

But the most powerful explanation is the one most often missed: sporting insularity reflects and contributes to the success of the American melting-pot. The assimilation of immigrants across 250 years has come at the price of international sporting mediocrity.

Three German-Americans, in different ways, help us explain this: Henry Kissinger, Donald Trump and my father-in-law.

Kissinger was one of very few American leaders who liked soccer. Kissinger, an emigre from Nazi Germany in his teens, saw in European football an arena where power counted. Wealthy clubs rule the roost over poorer ones. This free market is cutthroat, ruthless and unmediated by meaningful regulation that would make it more equitable.

Trump, the paternal grandson of a German immigrant, is drawn to soccer for similar reasons. Though he disdains the EU – progressive freeloaders – he loves its football leagues, where might makes right. If only the US could embrace football, America's huge demographic and resource advantages would make it a soccer-superpower.

Kissinger and Trump thought soccer would be a boon to American nationalism. This has not happened and is unlikely to. My father-in-law is the reason.

Don reviled international sport because it obliged him to contemplate and rank his identities. Of German extraction, he wanted nothing to do with Die Mannschaft. He was an American, first and last (and Texan by the grace of God). An old-world sport that asked him to choose between an ethnic identity (Germany) and a political loyalty (America), he had no truck with.

Variations of Don's position across the US population explain why international team sport is considered so inferior to national sporting codes. Many Latinos have a near religious reverence for soccer. The genius of the American experiment in mass immigration is that this loyalty is rarely tested in a match between a Latin American nation and the US.

If international team sport had the same resonance as it does in England or Poland, Mexican-Americans would face a loyalty test each time their nations met. Because this match-up hardly registers, the test is not posed. America does not stop when the US plays Mexico. The 35.9 million Americans who claimed Mexican heritage (in the 2020 census) can support either/both/neither with little consequence for their hyphenated identity.

> Why is American team sport so isolationist? One answer is how different structurally US sports are from that of other nations

The primacy of football (in England) and cricket (in Australia) makes split national loyalties harder to hold. Not impossible but harder.

A test of cultural assimilation in both is whether the newly arrived, and certainly eventually their children, barrack for their new national team or their old. That test is not posed in the US because international team sport has such little sociocultural purchase.

The US women's national team, the most successful women's soccer team in the world (winning four World Cups), confirms this thesis. Without cold war nationalism, the women's team, as the 2023 World Cup in Australia-New Zealand revealed, has become a vehicle for a woke anti-Americanism. This is another reason so many Americans distrust soccer. It is a sport of a Europhilic elite: progressivism in two halves with insufficient ad breaks and low scoring. It is un-American.

It is paradoxical, therefore, that the progressive, anti-American finger-wagging of the women's game has become by far the most imperial and capable of export.

While the rest of the world has demurred from adopting gridiron and baseball, major sporting bodies such as the English Premier League and Cricket Australia have been taking the knee in obedience to the identity politics agenda that is currently afflicting aspects of US sport – an agenda that gestated on the college campuses that produce so many American athletes.

But I remain optimistic. This fad will pass. The enduring popularity of American sport lies not in how it elicits shame but in how it reinforces national character.

The progressive seizure is partial and temporary. A nation as diverse and fractious as the US has found in its sport a source of unity and patriotism.

It is no accident that the Star-Spangled Banner is sung, with genuine emotion, at the beginning of sports matches, large and small. It remains a more powerful welcome to country than anything we have in Australia.

There are many reasons the US remains the No.1 destination of migrants seeking a better life. The one we miss is possibly one of the most important: American sport. Its localism rather than its internationalism makes it a vehicle for social harmony, cultural inclusion and racial equality.

In a polarised nation, these are at a premium. Don, my father-in-law, understood this. Go Rangers!

*Timothy J. Lynch is professor of American politics at the University of Melbourne.*

## TIM McDONALD

# Give teachers the tools for a calm, orderly classroom

Through my work in classrooms across Australia, I have seen the toll low-level disruptive behaviour is taking on teachers and students.

For teachers it means that they spend significant time settling the class and have less time to actually teach. One in three teachers reports losing teaching time because of student disruption.

For students it means constant distractions to their learning. A raft of surveys shows that Australia's students are dissatisfied with the level of disruption in their classrooms. They know it is affecting their learning and they don't like it.

Studies such as the OECD's Program for International Student Assessment show that Australian classrooms are some of the most disrupted in the world, with Australia one of the lowest ranked countries on levels of classroom disruption.

The fact is that Australian teachers have not been taught properly the simple but effective strategies of classroom management. As a 2023 expert report on teacher education found, many beginning teachers feel unprepared for the classroom at the start of their careers.

My observations from coaching teachers align with this.

Last month, a year-long Senate inquiry into classroom disruption released its interim report. It calls for students to be taught how to behave in schools and for teachers to be supported to develop the latest evidence-based skills to manage classroom behaviour.

As the report points out, if teachers are to be responsible for student learning, as they should be, they must have all the tools and techniques to create safe and ordered learning environments in the nation's classrooms. How well teachers manage classrooms determines how much learning takes place and therefore is one of the key drivers of the country's educational performance.

To deliver this knowledge and practical guidance into the hands of classroom teachers and school leaders, the Australian Education Research Organisation was commissioned by the federal government to produce a set of resources that could guide teachers on how to implement effective classroom management.

The AERO resources have been produced in the knowledge that student learning does not happen by chance. The actions a teacher takes to develop a calm, orderly and inclusive learning environment begin outside the classroom in a well-thought-out plan incorporating evidence-based strategies.

The resources focus on the introduction of simple routines into Australian classrooms. The routines make explicit to students what behaviour is expected of them at all times. In my long experience in the classroom and in teacher education, I have learnt that a great deal of misbehaviour stems from the absence of clear expectations, guidance and practice for students on how to behave. Where these are applied with consistency and fidelity, the conditions for learning are transformed.

AERO has provided Australian teachers precisely what they should have been given in their teaching degrees – the background knowledge, practical guidance and techniques to create ordered classrooms.

Techniques outlined in the resources include: how to build teacher-student relationships; how to set higher expectations; how to explicitly teach behaviour, entry and exit and gaining student attention routines; how to deliver verbal and non-verbal correction; and a range of important skills such as proximity, voice, deliberately pausing and many others that experienced and effective teachers know and use. The difference between impactful and less impactful teachers is how they use these skills in their classrooms.

The resources were designed not to shy away from the reality that students will misbehave. In schools we know that all students will misbehave at some time. The resources outline how teachers can respond to student disengagement and disruptive behaviour. Consequences and sanctions are necessary in schools and the resources support this in practical ways.

These strategies have the most impact when incorporated into a whole-school approach, as it is important to build consistent expectations for students as they progress between classes. School leaders also play an important role in effective classroom management by sharing best-practice resources and supporting staff to use them. Evidence shows these classroom management practices create more time for teaching and learning, which is good news for teachers and students alike.

Australia has 9500 schools. Most, but not all of them, have issues with disruptive classrooms. It will take a lot for the tide to turn in our schools and for more calm and orderly classrooms conducive to learning to become the norm. But these resources are unique in the Australian landscape and in time will create more time for teaching and learning. That is good news for teachers and students alike.

*Tim McDonald is a classroom management expert advising on AERO's Engaged Classrooms Through Effective Management project. He is chief executive of YWA.*

## WILLIAM STOLTZ

# Iraq cabinet papers highlight shambolic state of bureaucracy

The recent mishandling of the Iraq War cabinet records offers a glimpse into the national security community's apathy towards the National Archives of Australia, an institution that applies essential transparency to the conduct of these otherwise faceless officials.

The NAA is vital to the health of our democracy, but it is languishing under systematic obstruction by other parts of government. To reverse the NAA's decline, a shake-up of how security agencies interact with the National Archives is required.

Most commonwealth records are handed to the NAA after a certain number of years, depending on the nature of the material. National security and defence information, including cabinet material, is often retained by agencies for the longest period due to its sensitivity.

A growing portion of the NAA's collection comprises unread material pending review to determine its contents and if it can be released. Many researchers need to request specific material to be examined before they can access it. I have requests dating back to 2018 for material that is still pending examination. This is not uncommon for those seeking access to defence or national security records and this is not really the fault of the archives.

While the NAA is the custodian of the commonwealth's archival material, it cannot decide to declassify records on its own. For national security and defence material, in particular, it requires the expertise of those agencies to determine whether or not the release of past records could, for example, damage a foreign relationship, compromise an intelligence source, or reveal a military secret.

The result is that if the agency or department which created the record simply ignores requests from the NAA to assist with declassification, the release of many documents can be forestalled indefinitely. While working in the national security community I saw this first hand as I occasionally had to determine whether or not past records could be declassified.

I recall receiving a document from the Hawke government which had spent almost two years pinballing between officials who were unwilling to claim the document and make a decision. It took 10 minutes for me to determine there was no risk associated with declassifying the document and sign off on its release to the poor researcher who had requested it two years prior.

The episode highlighted to me that there is no practical incentive for officials to support declassification and no real penalty for simply shunting requests from the NAA on to someone else's desk. A culture of risk-aversion and apathy has resulted in disregard by many officials towards the transparency that the NAA is charged with providing.

The incentive to declassify past secrets needs to be flipped to restrain excessive secrecy. Instead of the current default that unexamined records remain classified, they should be automatically released if agencies fail to examine them and substantiate a case for keeping them classified. This change would force agencies and departments to properly resource the declassification process and assist the NAA.

This change is increasingly important as security agencies are seeking legislative amendments to further constrain what the NAA can release to the public.

A current bill before parliament seeks, among other things, to exempt Australian Secret Intelligence Service and ASIO records from the Archives Act where the identity of ASIS and ASIO staff or sources could be "inferred" from such records.

The identities of covert intelligence officers and their sources should always be protected, not least of all because many undertake this work for Australia trusting it to remain secret forever, even from their families. However, the current system provides little real recourse for anyone, including the NAA, to contest agencies' secret deliberations to withhold records on the basis of what might be inferred from them. The scope for risk-averse officials to err on the side of claiming an exemption where it mightn't apply is ample.

In the meantime, the apparent decision by the Department of Prime Minister & Cabinet to withhold from the NAA cabinet papers concerning the Iraq War is a frustrating obstruction of the archive's work. Among the excuses reported is that DPM & C declined to transfer the cabinet material to the archives because they were being retained as part of an official history project concerning the wars in Afghanistan and Iraq. Official histories are no substitute for giving Australians direct access to the original material.

Official histories are a useful tool in performative transparency. They allow governments to declare that new light is being shed on past decisions. What remains unknown, however, is which material was omitted from view and how firmly officials held the editorial pen over historians.

The departments of defence and foreign affairs have sponsored history projects to give Australians accessible accounts of past military operations and diplomatic activities.

More recently, our intelligence agencies have begun commissioning histories of their own, including a multi-volume series on ASIO. ASIS has prepared a draft history that remains unpublished. Meanwhile, the Australian Signals Directorate abandoned the book on its own story, instead opting for a choreographed exhibit at the National Museum (it was temporary).

These projects are doubtless useful to scholars, but they are not independent pieces of research, nor are they always prepared to an academic standard. They are, by intel agencies' own admissions, PR exercises designed to assist recruitment and encourage public support for their work.

Real openness would be supporting a declassification process that withholds records only on the basis of absolute necessity, not bureaucratic indifference.

Certainly, efforts by civil servants to shape public narratives concerning their own past would be better regarded if those same officials weren't also appearing to engage in procedural neglect of archivists' efforts to make unvarnished records accessible for us all.

*William Stoltz is an expert associate at the ANU National Security College.*

## JACK THE INSIDER

# Epstein's list will only stoke bonfire of conspiracy theories

The scene is set. On cue almost 200 celebrities, politicians and celebrity politicians are perspiring and clutching at their collars, but not in the funny Rodney Dangerfield way.

The Epstein list, as it is referred to on social media, is almost upon us. It could be the list of lists. Or a complete fizzer. But it is not Jeffrey Epstein's list. It isn't a list at all.

The named names come from documents in a 2015 defamation case brought by Virginia Giuffre, who accused Epstein and Ghislaine Maxwell of trafficking her as a minor. The documents were locked away from the public gaze until a US federal court judge ordered them unsealed late last year with the John and Jill Doe names unredacted.

A betting agency prohibited from plying its trade in Australia has made book from the discomfort of those awaiting naming and possible shaming. On top of the line of betting is Donald Trump, followed closely by Bill Gates and Bill Clinton. It was reported on Tuesday that Clinton will be named as John Doe 36.

On the next line of betting at odds of better than even money stand Kevin Spacey, Elon Musk, Hillary Clinton, Rudy Giuliani, former Israeli prime minister Ehud Barak and Harvey Weinstein. An obvious though unexplained omission in the betting market is Prince Andrew, Duke of York, who is said to be "totally tormented" that he will receive yet another mention.

Bobby Kennedy Jr got ahead of the scandal a month ago declaring he flew on one of Epstein's private jets on two occasions. "I was on (one of Epstein's private jets) in 1993. I travelled with my wife and two children to Florida," the presidential candidate said on Fox News. Of the second flight, the Kennedy scion had less to say, but the disclosure of sorts has had no bearing on his favourability ratings, which continue to rise as we enter an election year in the US.

There is no suggestion any of those who have or will be named have engaged in any illegality or wrongdoing. Some, including Bill Clinton, already have acknowledged appearing on Epstein's flight manifests. Clinton has said he flew four times on Epstein-owned aircraft – twice to Africa, once to Europe and Asia – describing the flights as "humanitarian work".

Similarly, there is no evidence that Trump had any dealings with Epstein after 2005 when the financier fell under investigation from Palm Beach Police in Florida.

But that's not stopping the conspiracists here and in the US. Their odd world is abuzz with evidence-free claims from serial liar Alex Jones that Epstein was "a pimp" who was running sex rings of teenage girls. Jones, who appears to care about children now, has hinted that girls were offered by Epstein to influential men.

Others in the conspiracy alternative universe opine without any strong basis that Epstein worked for US intelligence for the deep state and was in the Kompromat business, as the Russians call it.

They also argue that Epstein was like a Christmas decoration in that he didn't hang himself in Manhattan's Metropolitan Correctional Centre. The grim slammer was a temporary home away from home for an illustrious group, including fraudster Bernie Madoff, Sinaloa cartel boss Joaquin "El Chapo" Guzman, mobster John Gotti and his mass-murdering lieutenant, Salvatore "Sammy the Bull" Gravano.

Epstein was found dead in his cell on August 10, 2019. The official cause of death was suicide but lingering doubts remain. We might safely conclude that the timing of Epstein's death was convenient, at least for some.

In all of the breathless conspiracy theories, one matter is rarely, if ever, raised. In November 2022, Giuffre settled her case against law professor Alan Dershowitz, whom she had accused of sexually abusing her. In the settlement, both parties declared no money changed hands and Giuffre issued a statement at the time.

"I now recognise I may have made a mistake in identifying Mr Dershowitz," she said.

The circumstances surrounding the 2008 conviction of Epstein in Florida on one felony count of procuring a minor for prostitution continue to provide a swirl of conspiracies, some lurid, others feasible. It was the sort of sweetheart plea deal where Epstein might have packed his golf clubs rather than his toothbrush. He served 18 months of remarkably soft time where he popped home to his mansion most nights until his sentence was served.

Alexander Acosta, then US attorney for the second district of Florida, agreed to the plea deal, later explaining that he believed Epstein "belonged to intelligence" and was told to go easy on the born and raised New Yorker.

The plea deal that granted immunity to four named but redacted co-conspirators and "any unnamed potential co-conspirators" effectively put the kybosh on a broader FBI investigation.

One of those co-conspirators was undoubtedly Epstein's partner-in-crime, Maxwell.

Maxwell is serving a 20-year sentence in New York after being found guilty of sex trafficking of a minor, transporting a minor with intent to engage in criminal sexual activity and three counts of conspiracy.

Regardless of who is named in the coming days, it's clear there was a lot of conspiracy going on while Epstein was still in the vertical. Just how big the conspiracy was remains in the deep unknown.

The unsealing of documents is likely to compound the mystery, amid a likelihood that the conspiracists just may be right about Epstein.

*Jack the Insider is a highly placed, dedicated servant of the nation and a columnist at The Australian.*

# How your child can make it rich

What should young people do to make it on to The List – Australia's Richest 250 when they grow up?

JOHN STENSHOLT

No one has got richer quicker than bitcoin moguls in recent years, but even those 20-something billionaires have put their fortunes into that quintessential Australian safe haven, residential property.

Technology is definitely going to drive future wealth, but mining magnates of tomorrow will be harder to find. It won't be because of differences caused by climate change (which will affect government policies towards the resources sector) but probably because all the good mines are locked up already by older billionaires and overseas multinational companies. Retail and financial services are always going to be solid, even if they increasingly go online, and the odd fashion entrepreneur will make good money. But manufacturing is already on the wane, with some notable "smart manufacturing" exceptions.

Those are the lessons, and projections, that can be drawn from the ranks of the wealthy elite in The List – Australia's Richest 250.

Take Edward Craven, the youngest billionaire in the country. At 27 he has already built a cryptocurrency gambling empire with his business partner, Bijan Tehrani.

Stake.com has emerged as one of the world's biggest gambling companies, though most of its customers are in so-called grey markets where regulation of online cryptocurrency gambling is not present or is unclear.

Craven and Tehrani claim Stake.com accounts for about 7 per cent of total bitcoin transactions around the world daily.

"People have been trying to find the killer application for cryptocurrency," Tehrani said in an interview in The Australian in 2022. "Well, it's gambling." The duo has made money quicker than just about anyone in Australian history, but they also have some relatively safe and old-fashioned investment principles.

Craven made headlines in 2022 when he bought two Toorak mansions in Melbourne for almost $40m and $80m without the need to take out mortgages for the properties.

Property still dominates the ranks of the Richest 250 as the biggest source of wealth, accounting for 57 individuals last year.

Scarcity is the main factor for that success, particularly when it comes to residential real estate.

Melbourne property doyen Max Beck has seen it all in a six-decade career. Ask him what he would invest in and he says: "I've said that residential is still the place to be in property.

"If someone said you've got $500m to spend on property, well you've got industrial now where the landholders have got stars in their eyes price-wise and online (shopping) sales have kicked retail property. Then the issue with office property these days is the commuting time for people, so residential is still the place to be."

Pub and poker machines baron Bruce Mathieson concurs with that scarcity factor when it comes to his part of the property sector. "I still think pubs are a great investment because no one is making any more of them, are they? They are in good locations and people still like going to them."

Regulatory issues are likely to be the biggest problems for pubs that have pokies in the future, and it is the same for some parts of the technology sector, which accounts for 26 entries in The List, a number that will keep growing.

It is a mixture of technology and financial services that will likely be a growing source of wealth for Australia's new elite.

Take little-known CoinSpot founder Russell Wilson. In just two years, Wilson and his family have reaped about $700m in dividends alone from CoinSpot, which has more than 2.5 million customers who are able to buy, sell or swap 400 digital currencies on its website and app.

**Wilson**

At those levels, CoinSpot has about 10 per cent of the population using its services – from which it makes big money. The dividends paid out by CoinSpot are more than just about all companies owned by Australia's most prominent billionaires and other members of the Richest 250.

Even if the cryptocurrency winter lasts for a while longer, it is clear that consumers want to hold the virtual currencies online, trade the currencies, use them to bet and also try to predict currency movements.

For now, mining is a big source of wealth. Australia's richest person, Gina Rinehart, is worth more than $30bn, Andrew Forrest and his estranged wife Nicola Forrest have fortunes of more than $10bn each, and other families draw big incomes from mining royalties.

But besides those who inherit their mining wealth, there is a distinct lack of new wealth being made in resources.

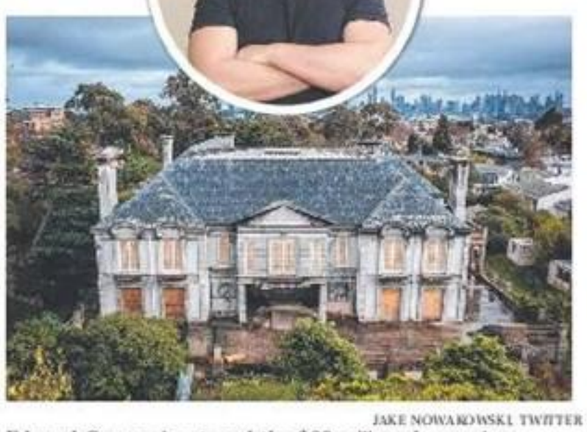
**Mader**

Luke Mader, a 42-year-old former diesel mechanic apprentice, is now worth more than $700m thanks to the surging share price of his Mader Group mining services business. But Mader is the exception rather than the rule, and he is a services provider rather than a miner.

In that way, Mader is part of the future.

Services in software, the basis of the fortunes made by Atlassian billionaires Scott Farquhar and Mike Cannon-Brookes and Canva's Melanie Perkins and Cliff Obrecht, is probably the biggest sector to emerge.

It's also likely the best bet for where the Alphas of today will make the big money of tomorrow.



JAKE NOWAKOWSKI, TWITTER

**Edward Craven, inset, and the $80m Toorak mansion**

# COMING TO A CINEMA NEAR YOU

After a turbulent 2023, the film industry is back in the picture with a raft of promising offerings

WILL LENNOX AND HANNAH-ROSE YEE

Given the many hurdles the film industry has had to deal with in recent years, 2023 proved to be one of its best. The cultural colossus of "Barbenheimer" revitalised a cinema industry that had struggled under the weight of increased streaming service power and pandemic-induced dwindling cinema attendance.

Then came the Writers Guild of America strike in May over a contract dispute with the Alliance of Motion Picture and Television Producers, soon followed by the SAG-AFTRA strike, when labour disputes between the American actors' union and the AMPTP threatened to derail films again.

But the industry persevered. If anything, the union members not promoting their films made the hype around these upcoming projects all the more immense. With 2023 now in the books, this year brings a raft of films, promising tremendous excitement and yet more excuses to head into the cinema.

From Furiosa: A Mad Max Saga, the prequel that returned series' production to our shores, to Priscilla, the latest Sofia Coppola film – starring Australian Jacob Elordi as Elvis Presley and Cailee Spaeny as the titular Priscilla, and promising a fresh angle on the King of Rock and Roll – there's something for all viewers this year. Here are eight films we're most excited about:

**Top, Robert Pattinson in Mickey 17; left, Mike Faist (left), Zendaya and Josh O'Connor in Challengers**

WARNER BROS, MGM

## JANUARY – Priscilla

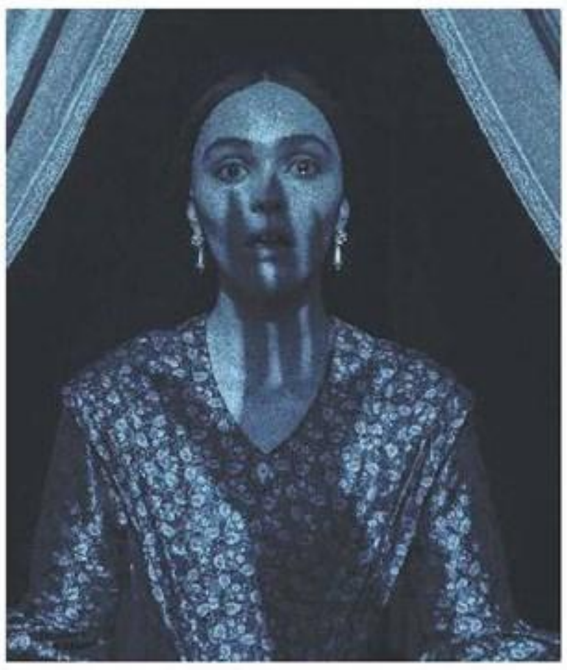
Is there a director working today who's better than Coppola at capturing the agony and the ecstasy of being a young woman? The Oscar-winning American director of The Virgin Suicides, Lost in Translation and Marie Antoinette returns to the big screen with Priscilla, a portrait of the young Priscilla Presley as she navigates coming of age within the glossy, gilded walls of Graceland while married to Elvis Presley. This movie is exquisitely attuned to the particular loneliness of being lost in the orbit of a megastar (here, it has shades of Marie Antoinette and Lost in Translation, arguably Coppola's two best films). There is a star-making turn from Spaeny, who took the best actress prize at last year's Venice film festival, while Elordi follows up his recent indelible performance in Saltburn with a finely tuned supporting role as the menacing but charismatic figure of Elvis.

## MARCH – Mickey 17

The latest project from Academy Award winner Bong Joon-ho, Mickey 17 is the director's first film since Parasite. What has us most excited about it is the collaboration between Bong and Hollywood heart-throb turned art-house darling Robert Pattinson. The dystopian sci-fi thriller is based on the novel Mickey7 by Edward Ashton and centres on an "expendable", played by Pattinson, who is a disposable employee enlisted on an expedition to colonise a distant ice world called Niflheim. The catch is, after each expendable dies, a new one is regenerated with most of their memories intact – something Pattinson begins to reckon with in the film. Australian actor Toni Collette, Mark Ruffalo, Steven Yeun and Naomi Ackie also star.

## APRIL – Challengers

Zendaya, tennis, love triangle: what more do you need to know? This film From Call Me By Your Name director Luca Guadagnino was on everyone's most anticipated titles of 2023 list until it was unceremoniously booted from the schedule on account of the Hollywood actors' strike. Now that the dispute has been resolved, Challengers is slated for an April release, and we couldn't be more excited. Zendaya stars as



Clockwise from above, Jacob Elordi and Cailee Spaeny in Priscilla; Lily-Rose Depp in Nosferatu; Anya Taylor-Joy in Furiosa; Lady Gaga and Joaquin Phoenix in Joker: Folie a Deux

A24, WARNER BROS

a tennis champion sidelined by injury who becomes a coach for her husband (Mike Faist), whose former best friend and on-court rival (Josh O'Connor) was once her lover. Juicy! This film has something for everyone: sport, drama, sex and great fashion. (The costumes were designed by Loewe creative director Jonathan Anderson.) But really, we think O'Connor, best known as Prince Charles in seasons three and four of The Crown, has said it best. "The tennis is the sex," he said in an interview. "Those moments are so sexy." We cannot wait.

### MAY – Furiosa

For many, the six-time Oscar-winning Mad Max: Fury Road, a continuation of Australian filmmaker George Miller's franchise, is the greatest action film made. Which means that the release of Furiosa, Miller's prequel to the Fury Road story, will arrive in cinemas in May with enormous expectations. We know the stunts will be thrilling, the action brilliantly choreographed, the costumes wild and the performances outstanding. Anya Taylor-Joy stars as a young Furiosa (the role played by Charlize Theron in the 2015 film), with Chris Hemsworth, one of Australia's biggest film stars today, in a mysterious, unknown role.

### JUNE – Twisters

Whatever happened to disaster pictures? There was once a time when cinemas were packed with them: The Towering Inferno, The Core, The Day After Tomorrow and, of course, the original Twister. Released in 1996, this featured Helen Hunt and Bill Paxton as a meteorologist and her husband, on the brink of divorce, thrown into the path of a raging tornado. This year, disaster films are staging a comeback, with a rebooted Twisters, directed by Minari filmmaker Lee Isaac Chung and starring some of the best young actors working right now. We're talking Daisy Edgar-Jones (Normal People), Glen Powell (Top Gun: Maverick), David Corenswet (soon to be the new Superman) and Anthony Ramos (Hamilton). Can this great cast and stellar director make us fall in love with the high-stakes, adrenaline-pumping thrill of a disaster movie again? Let's find out.

### OCTOBER – Joker: Folie a Deux

Director Todd Phillipps – whose 2019 blockbuster, Joker, earned star Joaquin Phoenix an Academy award for best actor – returns this year with a sequel, Joker: Folie a Deux. This time, though, there's an added musical element to the film. Phoenix will reprise his role as Arthur Fleck – the Joker – with Lady Gaga cast as Dr Harleen Quinzel, better known as Harley Quinn. Icelandic composer Hildur Guðnadóttir also returns from the first film, for which she won best original score at the Academy Awards, to bring her eerie soundscape back to Gotham. With the first Joker film ending as riots erupt across Gotham City, the follow-up has been revealed to take place mostly inside Arkham Asylum. We're most excited to see how the musical element plays out, given the distressing and joyless tone of the first film.

### NOVEMBER – Gladiator 2

One of the most talked-about sequels in years, the follow-up to every dad's favourite film – Gladiator – is finally getting a new chapter to the story. Twenty-four years after the first film, director Ridley Scott is returning to what he does best, a historical epic. Not much has been revealed about the premise of the sequel, other than it will centre on Lucius Verus, played by Paul Mescal, the fully grown nephew of Joaquin Phoenix's Commodus from the first film. The all-star cast also includes Denzel Washington, Joseph Quinn, Fred Hechinger, Pedro Pascal, Connie Nielsen, Djimon Hounsou and British classical theatre veteran Derek Jacobi, with Nielsen, Hounsou and Jacobi reprising their roles from the first film. Leaked video shows Mescal working out in preparation for the role – and hopefully as a fighter rather than a ruler – so there is sure to be great action scenes ahead.

### DECEMBER – Nosferatu

Few filmmakers can get under a viewer's skin as well as Robert Eggers. From the critically acclaimed horror flick The Witch in 2016, to the psychological thriller The Lighthouse in 2019, and even the gruelling The Northman (2022), Eggers is the master of haunting realism. At the tail end of this year, his next project is set to spook us again. While Eggers's last two projects have been less horror-heavy than his earlier work, his remake of Nosferatu, the 1922 German expressionist vampire cult classic, is a return to the director's filmmaking roots. Bill Skarsgard plays the titular Transylvanian vampire, and joining him are a range of frequent Eggers collaborators including Willem Dafoe and Ralph Ineson, as well as new faces including Nicholas Hoult, Lily-Rose Depp, Aaron Taylor-Johnson and Emma Corrin (Diana in season four of The Crown). Get ready to be haunted in time for Christmas.

# Dream Team becomes reporter's nightmare

CAMERON STEWART

It was a delayed plane that delivered my misfortune, my sliding-doors humiliation.

I wasn't on that plane; in fact I didn't even hear about it until much later.

But that plane was carrying the US Olympic men's basketball team into Sydney for the 2000 Games. Studded with NBA stars and collectively worth several billion dollars, the so-called Dream Team has won seven gold medals in eight Olympics since 1992, when professional players were first allowed to compete.

It is a lopsided contest every Olympics, but no one cares because they are the rock stars of the Games and their arrival in Sydney in early September 2000 was big news.

By pure accident, I happened to be The Australian's basketball writer for those Olympics.

I was part of a group of reporters assigned to cover our home Games for the paper even though I wasn't a sports reporter. I had just returned to Australia after more than three years as the paper's New York correspondent, so the editor assigned me to cover the basketball competition on the dubious grounds that "you lived in America so you at least know the rules".

In a panic, I started reading everything I could about the game and especially about the Dream Team, which was about to arrive in Australia.

What I learned was that American commentators thought the 2000 Dream Team on paper was easily the least talented group to represent the US at the Olympics, even though it was still all but certain to be gold medallists.

So ahead of the side's arrival I wrote a large feature for The Australian with the headline "Dream On", saying how this was the worst Dream Team ever to leave US shores.

Several days later the Dream Team held its first training session in Melbourne near Olympic Park and I walked down there to interview its captain, a towering 211cm African-American centre called Kevin Garnett.

The whole Dream Team was training on the court, throwing basketballs everywhere, when Garnett walked off the court and sat down with me on the sideline, his bald head glistening with sweat.

"Thanks for talking with The Australian, Mr Garnett," I began. "My name is Cameron Stewart and I'd like to ask ..."

"Say what?" snapped Garnett before I could finish my sentence. His eyes opened wide, his nostrils flared. "What'd you say your name was?"

> Suddenly all the basketballs on the court stopped bouncing. There was the briefest moment of complete, terrifying silence as the entire US basketball team glared at this hapless reporter

Suddenly Garnett turned to his team on the court and yelled, "Hey everybody, this is that Cameron Stewart from that Aussie newspaper who wrote all that shit about us. Man, what a load of shit that was."

Suddenly all the basketballs on the court stopped bouncing. There was the briefest moment of complete, terrifying silence as the entire US basketball team glared at this hapless reporter. Then they all unleashed.

"Hey man, you ain't shit!" yelled one. "Who you think you are, you is nobody!" said another. "Hey loser!" "Motherf..ker!" "Shit for brains!" On and on it went. I was being trash-talked in perfect unison by the world's best basketball team. There was nowhere to hide.

Then I heard a laugh from behind. It was the US team's media manager, who was thoroughly enjoying watching me being hung, drawn and quartered by his multimillion-dollar stars.

Later, after my public shaming was finally over, he took me aside to confide in me about what had happened.

The team's plane had landed in Sydney from LA but it had been delayed and the team missed its domestic connection, he said. So the Dream Team was sitting at the airport, bored and waiting for the next plane when the manager decided to hand out some newspapers to help them pass the time. He grabbed a bunch of copies of the nearest paper – which happened to be The Australian – which also just happened on that day to have my deeply uncomplimentary "Dream On" story on the cover of the features section.

All of a sudden, he told me, the entire Dream Team – none of whom would ever normally read an Australian newspaper in their life – was devouring my words with steam coming out of their ears. "The plane was late and that's the only reason that they read your story," he said, laughing. "You were unlucky, I guess. But they got you back in the end, didn't they? They got you real good."

(Postscript – the 2000 US Dream Team won the gold medal in Sydney without losing a game.)

JOE MANN

US Dream Team basketballers Kevin Garnett, left, and Gary Payton share a joke during a training session at Melbourne Park in September 2000

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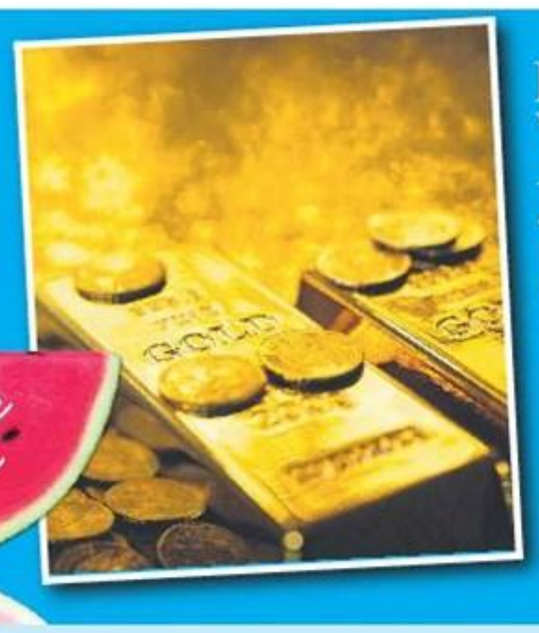


HOW TO BE WEALTHY

**John Stensholt** shares the secrets of success for young overachievers (P10)

MY LAST MEAL

# MATTHEW REILLY

## Nutella cheesecake

So. I don't cook. It just does not do it for me. And when it comes to cheesecakes, I mean it literally: I don't like baked cheesecakes. I like 'em creamy, sweet, cold and soft.

If I'm having my last meal, then I'm going out with a bang, combining two of my favourite food groups: cheesecake and Nutella.

I got this recipe from my friend Nagi Maehashi, from RecipeTin Eats, and it's an orgasmic delight.

If I'm eating it, the world could be on fire and I wouldn't notice.

If you were asking me how to make it, I'd say: make an Oreo biscuit base with crushed Oreos and butter. Mix Philadelphia cream cheese with icing sugar, then mix in Nutella and heavy cream (to a mousse-like level, mmm). Refrigerate until firm. Then top with Nutella and more cream.

Eat and die happy.

If you want a few more instructions, this is what Nagi says:

### Nutella cheesecake

Like Matthew, I am fussy about cheesecakes and there are times when baking is not the route to the best result. Say, mango cheesecake. Baking alters the flavour of mango and it's just not the same.

And, it turns out, Nutella is the same. The no-bake version dials up the Nutella flavour. Bonus: It's a whip/pour/fridge job, and you can serve it on a plate.

Holy moly, if that doesn't make your knees weak and get your heart pumping, you must not have a pulse to begin with.

**INGREDIENTS**

**Base**

- 200g Oreo cookies (Note 1)
- 60g unsalted butter, melted

**Nutella mousse filling**

- 3 tsp gelatine powder (Note 2)
- ¼ cup water
- 500g cream cheese, softened (block form, Note 3)
- ½ cup soft icing sugar (Note 4)
- 1 cup Nutella
- 1 cup thickened cream

**Nutella ganache topping**

- ½ cup thickened cream
- ½ cup Nutella (Note 5)
- ¼ cup dark chocolate chips/semisweet chocolate chips

**Toppings**

- ¼ cup hazelnuts, lightly toasted then chopped (Note 6)
- ½ cup thickened cream (for whipping)
- 3 tbsp Nutella, warmed

**METHOD**

**Prepare pan**

Flip the base of a 20cm springform pan upside down – this makes it easier to remove the finished cheesecake without the lip in the way. Butter pan base, then press on a square sheet of baking paper. Clip the pan sides on to the base, letting the excess paper overhang. Butter and line the pan sides with more baking paper.

**Oreo biscuit base**

Roughly break up Oreos with hands and place in food processor. Blitz until they become fine crumbs. Add melted butter, then blitz again until combined.

Transfer crumbs into prepared pan, pressing evenly and firmly on to the base. (I use the underside of a straight-sided, flat-bottomed cup measure to do this.)

**Nutella mousse filling**

Place water in a small bowl, then sprinkle the gelatine powder across the surface. Stir to partly dissolve. Set aside 5 minutes. It will turn thick; this process is called blooming. Microwave the gelatine for 15 seconds to turn it into liquid, stir, then let it stand for 5 minutes to cool.

Beat cream cheese, Nutella and icing sugar until smooth. Add the cooled gelatine liquid and beat another 30 seconds.

In a separate bowl, whip the cream until stiff peaks form.

Add one-third of the whipped cream to the Nutella mixture and gently fold until just combined. Fold in another third of the cream the same way. Then fold in the remaining cream.

Pour the mixture into the prepared tin and place back in the fridge for at least 1 hour to set.

**Nutella ganache**

Place cream, Nutella and chocolate chips into a heatproof bowl. Microwave in two 30-second bursts, stirring in between, until smooth.

Allow ganache to cool for 5 minutes, then pour over the set cheesecake base. Tilt pan to spread it over the surface evenly.

Refrigerate cheesecake at least 3 hours before sprinkling with hazelnuts (otherwise they sink into the cake!)

Release the cake. Remove the cheesecake from the springform pan and carefully peel away the paper sides.

To decorate, sprinkle over hazelnuts. Pipe dollops of whipped cream around the edge, then drizzle with warm Nutella. Slice greedy-sized wedges and devour!

Because it's no-bake, this Nutella cheesecake needs to be kept in the fridge – otherwise it will melt. It is supposed to be served chilled.

**RECIPE NOTES**

1. Oreo cookies – You can also use plain chocolate biscuits instead, such as Arnott's Chocolate Ripple, but add 20g of butter. This is because Oreo cookies have a filling, which is partly what helps bond the crust.

2. Gelatine – I use McKenzie's brand, widely available at grocery stores in Australia.

3. Cream cheese – You must use BLOCK cream cheese, which is firmer than the tub form that is designed to be spreadable.

If you can get only spreadable cream cheese, add an extra ½ tsp of gelatine to compensate for the softer cream cheese.

4. Icing sugar – It's better to use SOFT icing sugar rather than PURE icing sugar, but it's OK to use pure icing sugar in this recipe. Pure icing sugar sets hard and is used for things like royal icing. Soft icing sugar is mixed with tapioca/maize starch so it sets more softly and is used for things like buttercream frosting.

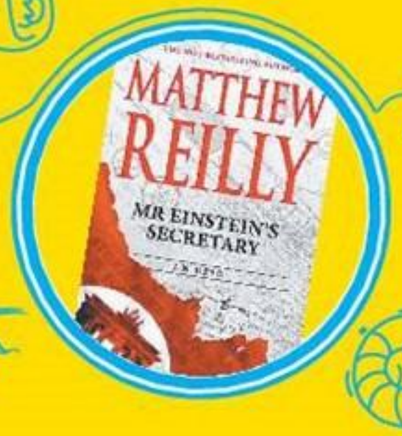
5. Nutella – I've used non-Nutella brand hazelnut spreads successfully in the past. Though I haven't tried it for this particular recipe, homemade Nutella would elevate this to epic-like status.

However, you'll need to add an extra ½ tsp of gelatine as homemade Nutella is runnier than store bought.

6. How to toast hazelnuts: Heat a pan over medium heat (no oil). Put the hazelnuts in and toast for 3 minutes, shaking the pan regularly, until you can start to smell strong nutty aromas.

Remove from pan, cool, then chop reasonably finely. (I like to chop it finely enough to have some "dust".)

*Matthew Reilly has sold more than 7.5 million copies of his novels worldwide. His first, Contest, was originally self-published after being rejected by the big publishing houses. Reilly drives a DeLorean DMC-12, like the one in the Back to the Future film franchise.*




TOMORROW'S LAST MEAL: Charlotte Ree's steak with pepper sauce

THE AUSTRALIAN
+ THE WALL STREET JOURNAL.

# BUSINESS REVIEW

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**LAST DRINKS**

Award-winning craft brewery calls in an administrator { P15 }

**JARED LYNCH**

A Meta executive reveals Big Tech's thinking on AI and copyright { P21 }

**PRECIOUS METAL**

The hottest property in gold mining is copper { P18 }

RECENT HACKS HEIGHTEN BOARDROOM CONCERNS

# Cyber attack CEOs' worst fear: KPMG

MATT BELL

Cyber threats are more likely to keep Australia's business leaders up at night than any other factor as record levels of immigration ease fears about finding workers.

The "Keeping us up at Night" survey of 319 senior executives at private businesses by professional services firm KPMG Australia revealed leaders are also concerned about regulation and cost control issues as they look to combat a high inflationary environment.

Cyber threats were the main concern for 43 per cent of executives this year after a string of incidents in 2023 rocked the corporate world, including hackings affecting DP World and Latitude Financial, along with the recent outage at Optus.

And in the past month, the administrator of Victoria's judicial system, Court Services Victoria, disclosed a cyber security incident that occurred on December 21, while cyber criminals also hacked into one of Australia's biggest health networks, St Vincent's, in recent weeks.

"High-profile attacks and outages over the last 12 months have clearly reinforced the importance of cyber in executive minds and boardrooms," KPMG chief executive Andrew Yates said.

"It's a heightened concern, not only the continuing increasing threat and always needing to evolve your own risk management, but also an awareness of the impact of issues when they occur."

The result mirrors the findings of The Australian's 2024 CEO survey published last month that found cyber attacks were the single biggest external threat to running a business, according to the country's top corporate leaders.

Cyber risks were only the fourth top priority in 2023, but recent high-profile cyber attacks and outages affecting large numbers of people and businesses have seen the issue shift up the business agenda.

KPMG observed that, given most executives do not come from a technology or cyber background, there may also be a "fear of the unknown" compared with challenges that were in their comfort zone.

"(Cyber) has elevated itself in boardrooms and executive rooms around the country," Mr Yates said. "Every company is investing an incredible lot in cyber. I think the more that business and government can work together on this, the better."

'Every company is investing an incredible lot in cyber'

ANDREW YATES
KPMG CHIEF EXECUTIVE

The report found that business leaders were less concerned by last year's top issues of finding talent, with just 42 per cent citing it as an issue, compared with 77 per cent in 2023 and 69 per cent in 2022.

KPMG highlighted that the arrival of 500,000 immigrants into Australia in the past year had helped to take some of the heat out of the issue.

Mr Yates said the reduced concern about talent was consistent with how he saw things in his role as the CEO at KPMG.

"We probably underestimated exactly how much that the

Continued on Page 14

## Migration cuts to ease housing pain 'shortsighted'

MATT BELL

**Cutting immigration to combat the country's housing shortage is shortsighted and risks wages growth and much-needed improvement in sluggish productivity, KPMG Australia says.**

**KPMG chief economist Brendan Rynne said Australia was better off living with the short-term challenges it was facing such as a lack of housing, arguing that any "kneejerk" reaction risked bigger effects in the long term.**

**"We've got to be careful that we don't have a knee-jerk reaction and I think that the government's response hasn't been; it's been considered and positive," Dr Rynne said.**

**"The work we've done has consistently shown that skilled migration adds positively to the Australian economy and it does that through improvements in productivity."**

**During the past year there has been a significant wave of migration to Australia, driven by a surge in international students. More than 500,000 people – or greater than the population of Canberra – have settled in Australia at a time when building approvals are at the lowest level in a decade.**

Continued on Page 14

**TOP CHALLENGES FOR BUSINESS LEADERS IN 2024**

| | |
|---|---|
| CYBER | 43% |
| TALENT | 42% |
| REGULATION | 41% |
| DIGITAL TRANSFORMATION | 38% |
| COST CONTROLS | 38% |

## Endeavour chair to exit after bitter brawls of 2023

Peter Margin
Nominated director

Peter Hearl
Chairman

Bruce Mathieson Jr
Director

Ari Mervis
Chairman-elect

ELI GREENBLAT
MEGAN NEIL

The civil war that engulfed the board of liquor and pubs giant Endeavour Group late last year has finally claimed the job of its under-siege chairman, Peter Hearl.

Board director Bruce Mathieson Jr is also stepping down in a board restructure aimed at putting the nastiness of 2023 behind the group.

The slated departure of Mr Mathieson Jr comes after the public battle before last year's annual general meeting that saw his father, Bruce Mathieson Sr, support a rebel candidate for the board and launch a savage personal verbal attack on Endeavour chief executive Steve Donohue and Mr Hearl.

As Endeavour's largest shareholder with a stake of 15 per cent, the Mathiesons will still be extended a boardroom seat. Mr Mathieson Jr's resignation will take effect on June 30, or at an earlier date if agreed between him and the board.

Endeavour owns 1700 retail chains under its Dan Murphy's and BWS banners as well as a network of 354 pubs – created from the pubs empire owned by the Mathieson family.

On Wednesday, the group said Peter Margin and Ari Mervis had been selected to join the board as directors to fill casual vacancies, subject to probity and the receipt of regulatory approvals.

Mr Mervis, who is also the new chairman-elect, is increasingly being seen as the director companies turn to for help in restructuring boards and seal rifts.

He was recently appointed as chairman of department store owner Myer as it went through years of shareholder and boardroom brawls triggered by billionaire Solomon Lew. Mr Lew had built his stake to be the retailer's largest shareholder and used that to demand boardroom changes.

Mr Mervis is also the chairman of McPherson's, which has gone through its own shareholder and operational turmoil.

The group said Peter Margin and Ari Mervis had been selected to join the board as directors

He is also the former executive chairman of Accolade Wines, and for 25 years worked with beer giant SABMiller, including running Foster's.

Mr Margin has extensive corporate and boardroom experience as former chief executive of Goodman Fielder and National Foods and is currently chairman of Bega Cheese and chairman of Golf Australia.

Endeavour's internal troubles erupted last year in the lead-up to its AGM, when rebel candidate Bill Wavish, a former Woolworths supermarkets boss and executive chairman of Myer, put his hand up to run for the board and won support from Mr Mathieson Sr.

The AGM turned into a nasty public spectacle as former Woolworths boss Roger Corbett swung his support behind Mr Wavish and launched withering attacks on Endeavour, its board, CEO and chairman and was joined by the Mathieson camp in the brawl.

It also fuelled a proxy battle as the warring camps lobbied for support.

Mr Wavish eventually lost the

Continued on Page 20

## A not so happy new year for stocks

DAVID ROGERS
MARKETS EDITOR

Cracks are appearing on sharemarkets after a shaky start to the year.

After surging in the past two months, the S&P 500 fell for a third consecutive day.

The sell-off flowed through to the Australian market, where the S&P/ASX 200 suffered its biggest one-day fall in more than three months.

The S&P/ASX 200 closed down 1.4 per cent at a five-day low of 7523.2 points on broadbased falls.

The index had tested its record high at the start of the week on surging iron ore prices and expectations of rate cuts in the US and Australia this year, but shied off that level.

While the Dow Jones Industrial Average crept up to a record high on Tuesday amid a switch back to value stocks, growth stocks were under pressure.

It was an inauspicious first (US) trading day in a month that can influence expectations

A 1.7 per cent fall in the Nasdaq 100 marked its third-worst performance for the first trading day of the year since the dotcom bust of 2001.

Apple dived 3.6 per cent after Barclays warned that iPhone demand was cooling. Other "Magnificent Seven" stocks followed, with Meta down 2.2 per cent and Nvidia down 2.7 per cent.

Overall it was an inauspicious first trading day in a month that can influence expectations of the annual performance of the S&P 500, according to the so-called "January Barometer".

In years when January has been positive for the S&P 500, its performance over the rest of year has been positive 71 per cent of the time, versus 63 per cent of the time for all years and 58 per cent of the time when January is negative, according to Dow Jones Market Data.

Based on data going back to 1928, the S&P 500 has averaged a

Continued on Page 20

## Cost-of-living pressure subduing growth: RBA

MEGAN NEIL

Cost-of-living pressures from soaring inflation and interest rates have been weighing on spending and economic growth, internal Reserve Bank documents show.

Documents detailing the central bank's meetings with firms and community organisations late last year reveal expectations that the high cost of living would continue to weigh on consumption and economic growth.

"Liaison suggests that consumption growth will remain subdued as cost-of-living pressures continue to weigh on economic growth," RBA staff said in a September 18 update on liaison messages.

"Retailers report that consumers, particularly those facing higher cost-of-living pressures, are more budget-conscious in their spending."

A September 29 update after liaison discussions with retailers noted that consumers continued to trade down to cheaper products or were purchasing fewer items.

The same messages about budget-conscious consumers were repeated in another update on October 23, which again noted that "economic growth remains subdued".

"For a few quarters now, consumers have continued to

Continued on Page 14

## Stokes warns of house price correction

TANSY HARCOURT

Billionaire business leader Ryan Stokes, who runs his family-controlled Seven Group Holdings, says the biggest disruption to his mining, construction and media empire is the prospect of falling house prices in 2024.

Mr Stokes said the "dramatic increase" in the cost of capital resulting from the Reserve Bank's decision to raise the cash rate by 40 per cent last year alone, and at the "fastest rate rise" in the nation's history over 18 months, is inflicting pain on households.

"The disruptive impacts that concern us relate to the economic transition that is under way, as we

Continued on Page 14

## Australia must win war against anti-fossil fuel push: Santos

COLIN PACKHAM

Australia is in the midst of an "anti fossil fuels war" and risks affordable and reliable energy supplies, the chief executives of two of the country's largest gas companies say as talks between the pair over a potential $80bn merger are set to resume within weeks.

While Australia is moving to wean itself off its fossil fuel dependency, Kevin Gallagher, the chief executive of Santos, said the country was at risk of being dangerously idealistic. "My biggest concern is for energy security and affordability, both at home and for our trading partners in Asia who rely on us for the energy that drives their economies. We cannot turn the taps off on oil and gas before there are replacement technologies," Mr Gallagher said.

THE AUSTRALIAN CEO SURVEY 2024

"Renewables are a big part of the solution, but we are still a long way from technologies that would replace fossil fuels in making steel, cement, fertilisers and the petrochemicals that make medicines, medical products, paint, plastics and the polymers that are the foundation for so many products we take for granted in modern life."

Kevin Gallagher

Santos is moving to develop new sources of LNG, while also developing a carbon capture and storage project set to come online later this year.

Carbon capture and storage is controversial, with critics insisting it is unreliable and will delay the transition to renewable energy, while proponents argue the technology will minimise the disruption on the economy allowing for

Continued on Page 17

COMMENTARY P21

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# BNPL spending flies under the radar

**The popularity of the instalment loans has credit agencies worried**

ANGEL AU-YEUNG

Priscilla Rodriguez, an overnight stocker at a Walmart, has a strategy to protect her credit score as she and her husband look to buy a house.

The Sunland Park, New Mexico resident uses instalment loans from Afterpay to buy groceries, her pricey skincare products and art supplies for her 10-year-old son, which keeps the balance on her two credit cards low – and the credit agencies in the dark.

"Afterpay doesn't report to Equifax," Rodriguez, 31, said. "That was very appealing to me."

Consumers are shifting more of their spending to so-called buy now, pay later lenders, a trend that is only accelerating as high interest rates dent budgets and pandemic savings dry up. That is sounding alarms at consumer-advocacy groups that say companies like Afterpay, Affirm and Klarna provide fewer protections than credit cards and encourage shoppers to take on more debt than they can afford.

A quarter of all American adult consumers have used BNPL loans, according to LexisNexis Risk Solutions. Over Black Friday and Cyber Week, such payment plans accounted for 7.2 per cent of all online sales, a 25 per cent jump from last year, Adobe found. (They were also a big factor in the declining use of store credit cards.)

BNPL firms can extend loans as large as $US25,000 ($37,000), offering annual interest rates ranging from 0 per cent to 36 per cent. The rates offered are dynamic and depend on the borrower's standing, payment timeline and the item being purchased. Retailers can also pay fees to offer better terms, such as 0 per cent interest, at check-outs. In comparison, the average annual interest rate on credit cards is 21.19 per cent, according to the Federal Reserve.

BNPL payment plans aren't the same as putting a purchase on a credit card.

Say a borrower buys a $US100 outfit. With a credit card, he will need to pay that off by the next due date or carry a card balance, which can last months if he makes only the minimum payments and racks up interest charges. With an instalment loan, he pays a fixed amount with each payment – say, $US25 each month over the following four months, or more depending on interest or other charges – and knows ahead of time what the total will be.

BLOOMBERG

**A quarter of all American adult consumers have used BNPL loans, according to LexisNexis Risk Solutions**

What started as a payment option mostly for luxuries such as beauty products and purses is rapidly expanding to other categories, including groceries and medical procedures. Shoppers' use of these payment plans for "necessary" and "everyday" purchases expanded 434 per cent from 2020 to 2021, according to the Consumer Financial Protection Bureau.

Paden Brown, a truck driver from Texas, uses Affirm to buy groceries and household essentials on slow driving weeks when his pay is low. A recent bill at Walmart was roughly $US465, and Affirm offered him a choice of three payment plans. He chose a six-month loan with a 36 per cent interest rate that didn't require a down payment. He has also used the service to buy almost $US4000 of gaming equipment and $US1100 in tickets to WrestleMania events, both on interest-free payment plans with longer timelines.

Brown, 35, said his father damaged his credit score when he was younger by taking out cards in his name. Though he has built it back up, he is still wary of credit cards.

"The difference between this and a credit card is that Affirm won't threaten to garnish your wages," Brown said. "They'll just say, 'We're not doing business with you any more'."

Stigma around credit cards had driven people away from them, even though they were better regulated and came with fraud protections and other perks, said Peter Smith, senior researcher at the Centre for Responsible Lending, a consumer advocacy group.

His group and others are calling on regulators to develop a framework to oversee the BNPL industry.

"We see this as the Wild West right now," he said.

Roughly a year ago, CFPB director Rohit Chopra said his agency intended to regulate the industry the same way it regulated credit cards, noting: "It's critical that this growing category does not hide in the shadows." Putting that into practice has been slow-going, though Affirm has said it is subject to CFPB supervision and supports the agency's efforts.

Kristina Koltyk, 38, uses credit cards only for essentials such as groceries and petrol, which keeps her credit score high. For most everything else, the postal-service worker uses instalment loans from Affirm.

Koltyk, who lives in Garden City, Michigan, has taken out more than $US30,000 in loans since 2021 to buy items including car parts for her boyfriend's Dodge Challenger, a Samsung 55-inch TV and Nike Air Force 1s.

"Affirm is cool because it doesn't mess with your credit score at all," she said.

Most BNPL companies say they conduct a "soft" credit check primarily to help determine the interest rates offered. These checks are designed to not affect a borrower's credit score, unlike the "hard" credit checks typically required for credit cards and mortgages.

That leaves lenders with an incomplete picture of the debts people are carrying when approving them for new credit. It also means shoppers can take out loans at multiple BNPL companies, and each wouldn't know about the other.

Affirm said the company was motivated to extend credit only to consumers who could pay on time because it doesn't charge late fees.

While the three major credit reporting bureaus – Equifax, Experian and TransUnion – gave BNPL companies the option last year to report payment-plan activity, the majority aren't yet doing so. Affirm said it reported some longer-term loans to Experian and might report to others in the future. Afterpay – which is owned by Jack Dorsey's payments company, Block – doesn't report to US credit bureaus. Neither does Sweden-based Klarna.

Afterpay and Klarna have argued that reporting to US credit bureaus would hurt their customers even when they were making payments on time.

> 'We see this as the Wild West right now'
>
> PETER SMITH
> SENIOR RESEARCHER, CENTRE FOR RESPONSIBLE LENDING

Kerry McKinley, 27, used Afterpay to buy $US500 of clothes from Fashion Nova, an online-only retailer. Her payment plan carried no interest and she paid it off using her credit card.

In the following months, McKinley, who lives in Hercules, California, had car troubles and an emergency visit to the veterinarian's office after her dog rifled through the trash. Her rainy-day fund was depleted, and she incurred late fees on her credit card.

McKinley regretted the Afterpay purchase for setting her back. "It's just an easier way for big companies to convince you to spend money you don't have," she said.

Gabriel Racela of Vancouver, British Columbia, in Canada, uses BNPL options as a litmus test. If a purchase qualifies for an interest-free loan, the 27-year-old gaming company project manager will spend the money, which was the case for a recent $US4300 laser eye surgery. Otherwise, he will pass.

But he does make exceptions. He and his sister recently bought two sectional sofas for about $US2700 using a one-year loan with a 17 per cent interest rate.

THE WALL STREET JOURNAL

# Stokes warns of housing slump

*Continued from Page 13*

pivot from a low to a relatively higher rate environment, and the consequential impact that will have on households," said Mr Stokes, speaking as part of The Australian's 2024 CEO Survey.

"We anticipate the risk of a housing price correction is high, and need to be prepared for what that might mean."

Seven Group has multiple exposures to households through construction company Boral, equipment hire company Coates and through appetite for advertising at its Seven West Media company that owns the Seven Network and newspaper The West Australian.

Fears about what may lie ahead did not stop Seven Group having a bumper 2023, with its shares rising 75 per cent over the past 12 months on the back of the turnaround performance of Boral and consistent strong returns from Caterpillar dealer WesTrac.

But Mr Stokes said the much anticipated house price crunch, which many housing specialists thought would come last year, might come this year.

In 2023, property prices reached record highs in some cities and near record highs in others such as Sydney. However, the rate of price rises eased towards the end of the year, particularly in cities such as Melbourne, according to CoreLogic, and in Sydney, with auction clearance rates also falling from the same time in the previous year.

"Given the aggressive pace of the cash rate increases, the pain it has inflicted on households is deeply concerning, and we are yet to see the full impacts of the increases already implemented," Mr Stokes said.

The RBA's decision to raise the cash rate so quickly – it now sits at 4.35 per cent – would be linked to a contraction in economic growth, he predicted.

> 'The key area to watch is the mortgage stress'
>
> RYAN STOKES
> SEVEN GROUP CHIEF EXECUTIVE

Mr Stokes said the RBA had two levers within its monetary policy arsenal – the cost of money and the supply.

Unfortunately, he said, "there is a greater inequity in the impact of the cost of money," meaning that rising interest rates hit low-income households more than high-income ones.

"Ultimately, successful execution of monetary policy to manage the economy should ensure the action does not cause greater harm than the original issue itself," Mr Stokes said.

Increasing the cash rate, which the RBA has done to try to bring the inflation rate down, can increase inflationary pressure if suppliers pass on costs.

"The key area to watch is the mortgage stress and increasing foreclosure risk," Mr Stokes said. "Given the current challenges with housing affordability and rapid increase in mortgage costs, the situation is precarious for consumers."

In the longer term, the structural undersupply of housing and rapid population growth should lead to a robust outlook for construction activity.

"However, we expect it could be a challenging 2024," Mr Stokes said.

From a Seven Group perspective, Mr Stokes, the son of Kerry Stokes, said the overall outlook was positive, with a multi-speed economy to develop.

He said he believed the infrastructure investment pipeline would support the economy and ultimately increase productivity, which in turn would reduce inflationary pressure. He also described population growth as a positive economic driver.

"While the population growth has been rapid, our economy has required that incremental capacity to support growth," he said.

"In addition to the strong long-term construction outlook, and productive infrastructure investment, our resource exports exposure will also help support the Australian economy."

# Bitcoin up amid trade rumours

PATRICK HOSKING

The price of bitcoin surged past the $US45,000 ($66,597) mark on Tuesday, its highest since last April, amid speculation that US authorities are close to approving the first mainstream crypto-focused exchange-traded funds.

The digital currency surged to as high as $US45,886 at one point, up by almost 7.7 per cent in 24 hours, though still far below the $US69,000 of November 2021.

The rally came amid industry hopes that the US Securities and Exchange Commission will approve the first exchange-traded funds to reflect the bitcoin spot price. BlackRock and Fidelity are among the mainstream asset management names to have applied for such funds in a move that could throw open the bitcoin market to millions of people and confer respectability on a virtual currency still associated with money laundering and tax evasion.

The SEC has in recent years rejected applications to launch spot bitcoin exchange-traded funds, arguing the cryptocurrency market is vulnerable to manipulation and that would-be ETF issuers would be unable to protect investors.

Speculators are also buying bitcoin before the so-called halving in April – an event once every four years when the reward for mining new bitcoin is cut, potentially reducing new supplies. Expectations that the main central banks will lower interest rates have been a further boon for cryptocurrencies.

Thirteen applications to offer bitcoin-related exchange-traded funds have been submitted to the SEC, with a decision expected within days.

Bitcoin later drifted lower and was last trading at $US45,237.

THE TIMES

# High cost of living 'subduing growth'

*Continued from Page 13*

trade down to cheaper products, or purchased fewer items, due to cost-of-living pressures," the document said.

The documents from September to November were released on Wednesday in response to a Freedom of Information request.

Anthony Albanese on Wednesday indicated Labor would seek to roll out more cost-of-living support in the May budget as people continue to grapple with higher interest rates and inflation.

"What we want is to take pressure off people who are feeling pressure as a result of global inflation," the Prime Minister said. "This has had an impact ... so we're very conscious about those cost-of-living pressures."

The RBA documents were based on the central bank's liaison program, whereby bank staff meet frequently with businesses, industry bodies, government agencies and community organisations to gather "economic intelligence".

The updates on liaison messages also noted the impact of cost pressures on domestic tourism, which had fallen from high levels last year.

"Many tourism contacts expect a further softening in demand because of cost-of-living pressures and interest rate increases," an October 23 document said.

By the time of a November 3 note, the feedback was that retail conditions remained broadly unchanged, with lower volumes as "consumers have pulled back on spending and are more careful than last year in their purchases".

After a four-month reprieve, the RBA delivered a 13th interest rate rise on November 7 as new RBA governor Michele Bullock acknowledged many householders were already experiencing "a painful squeeze" on their finances.

An internal email sent by an unidentified staffer to Ms Bullock and James Holloway, deputy head of the RBA's economic analysis department, on November 16 showed the central bank was aware of "acute" cost-of-living pressures facing some people, as reported by community services organisations.

"More people than usual are seeking support from community services organisations, including wage earners and households with mortgages who have sought food support," the email said.

"Calls for support include for housing assistance, financial counselling services, mental health services, domestic violence services and food support."

A November 20 update on liaison messages also highlighted that cost-of-living pressures, including interest rate increases, were weighing on consumer spending and domestic leisure travel.

"Economic activity has moderated, but not as much as expected," the update said.

The document also noted that private sector wages growth was expected to slow over the year ahead.

"Cost-of-living pressures and the tight labour market are cited as reasons for wages growth remaining higher than prior to the pandemic," it said.

The RBA has raised rates by 4.25 percentage points since May 2022, in its most aggressive tightening cycle.

The cash rate stands at a 12-year high of 4.35 per cent.

# Migration cuts to ease pain 'shortsighted'

*Continued from Page 13*

"I'd actually live with the short-term challenges that we've got at the moment," Dr Rynne said.

"I think ultimately the market will sort themselves out with regards to housing investment and then I'd rather do that than turn away skilled migration who are unlikely to come back later on.

"If we start to pare back on skilled migration then the likelihood is that down the track we won't achieve the same productivity kicker that we need and then ultimately we won't get the real wage growth that we want to see."

National accounts show labour productivity in the three months to September lifted by 0.9 per cent to record the first improvement since early 2022, reaching pre-Covid levels despite a much larger population.

The RBA has said a collapse in productivity matched with a rapid rise in wages has led to soaring labour costs which put at risk the central bank's inflation target band of 2-3 per cent.

AAP

**The housing shortage has resulted in long queues**

KPMG expects the economy to grind to a halt for much of 2024 before a recovery later in the year as the RBA moves on interest rates.

It forecast Australia would avoid a recession, but gross domestic product in the December quarter would be flat as businesses batten down the hatches.

"Economically business and consumers dealing with difficult operating conditions of high inflation and interest rates, leading to reduced corporate profits in many parts of the economy and as a result cost control emerged as one of the top five issues," KPMG chief executive Andrew Yates said as the firm released its "Keeping us up at Night" survey on Wednesday. "The current mindset is that business is looking at battening down the hatches and getting through difficult business environment."

Dr Rynne said more Australians were likely to be out of work this year than predicted by the RBA as a consequence of reduced demand in the economy. "The unemployment rate probably heading towards mid 4 per cent by June and high 4 per cent by the end of the year," he said.

An unemployment rate at nearly 5 per cent would be highest reading since 2022 and would come in much higher than the RBA's expectation of the 4.25 per cent it predicted in its Statement of Monetary Policy in November.

After 425 basis points of interest rate rises since May 2022, KPMG expected that the next decision by the RBA would be when to cut the cash rate – likely to be around August – and it tipped two 25 basis-point rate cuts for 2024.

# Risk of cyber attack CEOs' biggest fear: KPMG

*Continued from Page 13*

exuberance was post-Covid, with the amount of opportunity that was around. I think business felt it could transform itself quickly," Mr Yates said.

"A year ago it was all about just trying to get people, as there was a real sense of shortage of people that feels like it's dissipated now and the challenge is more about continuing to retain and attract high-quality people."

KPMG chief economist Brendan Rynne said that at the height of the labour shortages in late 2022 into 2023, businesses were forced to hire staff who may not have had all the skills required – an issue not as prevalent in 2024.

"With the added migration and also domestic workers starting to look around a little bit more, businesses are now having a deeper pool of people to employ," Dr Rynne said.

"So the skill sets are becoming a more important differentiator than simply the number of people applying for work."

The third most important issue for the next 12 months, on 41 per cent, was dealing with regulations, while cost controls in an inflationary environment came joint fourth on 38 per cent.

By contrast, over the next three to five years, emerging technologies such as AI, machine learning and quantum computing was the third highest priority.

Identifying and growing future market segments and/or innovation opportunities for growth fell from second in last year's priorities to seventh.

"(Executives) are not currently focused on growth, innovation or seeking out new markets," Dr Rynne said.

"But as things pick up towards the end of the year, this will change and their mindset will turn more towards growth and looking to take the opportunities presented by new technologies like AI."

Only 15 per cent of executives listed hybrid working as a major concern – ranking 13th, compared to eighth last year and third in 2022. Only 5 per cent of those surveyed cited it as issue in the next three to five years.

Hybrid work has become entrenched in many white collar roles across the country since the pandemic forced remote working four years ago, but in recent times there has been a push at forcing more employees back into the cities and the workplace.

Last year NAB chief executive Ross McEwan ordered his senior leaders to return to the office five days a week, while Mineral Resources CEO Chris Ellison has shut down working from home completely.

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# Geminder closes in on Pact takeover

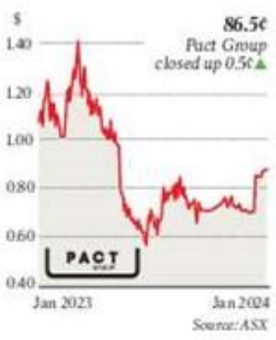
ELI GREENBLAT

Billionaire Raphael Geminder is within striking distance of wrapping up his $289m takeover for packaging company Pact, but a Christmas sharemarket rally has pushed the share price above his offer.

Mr Geminder's off-market takeover sits just short of the 90 per cent ownership he needs to acquire the remaining shares.

However, the recent sharemarket rally and thin trading volumes over the Christmas and New Year holiday period have helped lift the Pact share price to 86.5c on Wednesday, higher than the 84c a share offered by Mr Geminder's private company, Bennamon Industries, part of his Kin Group.

Mr Geminder launched his takeover bid for Pact in September, offering just 68c a share and at the time he was sitting on just over 50 per cent of the company. Later, Pact's independent directors recommended shareholders reject the first bid after an independent expert argued the company was worth between 83c and $1.24 a share. Mr Geminder later raised his bid to 84c a share.




Mr Geminder's Bennamon Industries reported it was now sitting at 85 per cent ownership

At their peak in 2017, Pact shares were trading at about $7, to value the company at $2.4bn. The offer is also a long way from 10 years ago, when Pact raised about $649m based on an initial public offer of $3.80 a share.

The Pact float was the largest IPO in the Australian market in 2013 and the second-largest IPO for a packaging company completed globally.

In its fifth supplementary bidder's statement and variation of takeover bid documents lodged with the ASX on Wednesday, Mr Geminder's Bennamon Industries offered faster payment terms and reported it was now sitting at 85 per cent ownership of the packaging company.

It said once it went to 90 per cent it would move to compulsorily acquire all shares from other shareholders.

Mr Geminder is also considering delisting Pact from the ASX even if he falls short of the 90 per cent barrier.

However, this would require approval by the ASX and by shareholders at a meeting at which Mr Geminder could not vote his shares.

"You should be aware that if you do not accept the offer, there is a risk that the Pact share price may fall below the offer price and the levels it was trading at prior to the offer being made," the bidder's statement said.

"Kin Group encourages you to accept the offer without delay."

Investors Mutual, Pact's largest institutional investor with a stake of 5.54 per cent, has already sold into the takeover, as has Sydney-based RealIndex Investments (with a 3.66 per cent stake), London-based hedge fund Samson Rock Capital (2.83 per cent), Sydney-based Acadian Asset Management (0.61 per cent) and all the Pact board and management team.

Pact has struggled of late, ringing up losses driven by a slowdown in activity in the sector as well as impairments, including in the most recent financial results when it booked an impairment loss of $52.6m against the write-down of property, plant and equipment in Australia of $48.1m and China of $4.5m.

In the 2023 fiscal year, it reported a net loss of $6.6m on revenue of just under $2bn.

Mr Geminder has argued that given Kin's current majority ownership, the unlikely prospect of a rival takeover offer, and the uncertain macroeconomic outlook and operational issues it was in the best interest of all shareholders that the company was taken private.

# Victims' emotional pain revealed after super savings swindled

ANGELICA SNOWDEN

Before being misled into investing $200,000 of their life savings into a self-managed super scheme, the woman says she was outgoing and her partner upbeat.

"We were content, happy, healthy, active. Financially secure," the woman's victim impact statement reads. "(We) enjoyed family holidays. Enjoyed friends' and family's company and were outgoing and trusting. After, we became stressed and took up unhealthy habits. Lost motivation and drive for life."

This was after former Melbourne property developer Mudasir Naseeruddin convinced them to roll $201,000 of their life savings into newly created self-managed super funds, only for it to be withdrawn and used to buy shares for personal gain. The Indigenous couple, a shearer and Aboriginal health worker, would only ever recover about $10,000.

In his victim impact statement, her partner says he was a "very outgoing and upbeat type of person". He adds: "After this (I) became very withdrawn. Don't want to interact with anyone else. Gave all my mates away. Thirty years of hard work down the drain."

Victoria's County Court judge Fiona Todd released five victim impact statements following Naseeruddin's sentence late last month, requesting their identities not be reported.

Naseeruddin was jailed for four years and four months.

The statements, some handwritten, give insight into how the now 33-year-old used religion and personal relationships to lure victims into the scheme.

Judge Todd told Naseeruddin his treatment of the couple, from regional NSW, and his other victims was "nothing short of ruinous" in her sentencing remarks delivered last month.

Another victim who is an Aboriginal woman – a health worker – also supplied a statement, following an investment of $50,000 with the former Melbourne property developer in 2019.

Judge Todd said the woman was having financial difficulties when someone she knew from church suggested she contact Naseeruddin.

After completing a sign-up document, she decided she did not want to proceed, but the court heard during sentencing that Naseeruddin falsely told her cancelling the SMSF would lead to "repercussions" with the Australian Taxation Office.

In her victim impact statement, she says the crime caused her and her family to suffer "extreme stress financially".

"It has impacted my family relationships badly, not to mention work, which has also been difficult," she says. "I've had to get financial as well as emotional counselling to help me navigate my way back to normalcy."

A separate statement supplied by another victim, who was a teacher and invested $124,000, reported he is riddled with anxiety.

"Life was really good before I met Mudasir Naseeruddin, who convinced me to invest with him ... and give the best returns on super," he says.

"He had used faith and religion always to advance his business and dealings with innocent victims like me."

Finally, a pharmacist who invested and lost about $70,000, says he was a "victim of financial terrorism".

"I do not forgive Mudasir for what he has done to me," he says.

"He (owes) debt to me which needs to be repaid. Whether in this world ... or the hereafter."

An Australian Securities & Investments Commission investigation revealed Naseeruddin duped a total of $520,000 from six investors by encouraging them to roll their life savings into self-managed superannuation funds.

But instead of investing it into property developments as promised, that money was dishonestly loaned to two of Naseeruddin's companies, Secure Investments Pty Ltd and Aquila Group Pty Ltd.

He used his position as a director of one of the companies to withdraw more than $550,000 to buy shares in a security company for his own benefit, which Judge Todd said ultimately was of no "personal enrichment" to Naseeruddin due to his poor management of the "chaotic" scheme. However, it was "of serious consequence to your victims".

Earlier, Judge Todd noted victims had "painstakingly" built up their life savings following careers in teaching and pharmacy among other industries.

"(You) exploited relationships (and) trust with people in your own community," she said.

Naseeruddin migrated to Australia from India with his family, and was partnered in an arranged marriage in 2013. That relationship has since ended.

While Judge Todd acknowledged he was supported by his father and had good prospects for rehabilitation, she said she regarded his moral culpability as high.

# Early Canva investors look to $1.5bn payday

BRITTA CAMPION

Canva co-founders Cliff Obrecht, Melanie Perkins and Cameron Adams at The Cutaway in Barangaroo in Sydney

JARED LYNCH

Longtime investors and employees at Canva are set for a $US1bn ($1.48bn) payday, with the company close to finalising a deal on the sale of a tranche of shares ahead of a potential public listing.

The Australian-owned digital design and visual communication platform won't raise any money from the deal, which is set to value the company at $US26bn and involve early investors and staff selling stock to new investors, according to US reports.

The news, first reported in The Information, comes after a similar deal the company struck last August that involved Blackbird selling a 3 per cent stake to US investors – including Coatue Management and ICONIQ Capital, which valued the company at a similar amount.

ICONIQ functions as a family office for the likes of Mark Zuckerberg, Sheryl Sandberg and Jack Dorsey, while Coatue Management is the hedge fund led by famed "Tiger Cub" portfolio manager Philippe Laffont.

A Canva spokesman could not be reached for comment about the latest share sale.

Cameron Adams, Melanie Perkins and Cliff Obrecht founded the company a decade ago. Its design templates, which proliferate across businesses, school projects and social media accounts, are easily identified by their playful fonts and colourful palettes.

One of Australia's success stories, Canva's $US25.5bn valuation is down 35 per cent from a peak of $US40bn in September 2021 but Mr Obrecht said last August that its valuation was "solid" compared with other software companies, many of whom have been forced into mass lay-offs due to the deepening tech downturn.

"With most tech companies down more than 50 per cent, I think the valuation is solid," Mr Obrecht said at the time.

"What I think it speaks to most is the confidence investors have in Canva to grow beyond this. They're obviously deploying large sums of money in order to see a return on that, and so it really speaks to their confidence in the business that it will continue to grow."

At $38.4bn in Australian dollars, Canva's latest valuation would place it firmly in the ASX 20, if it were listed in Australia, ahead of Aristocrat Leisure, James Hardie, REA Group, Santos and WiseTech Global.

But Canva is likely to opt for a US listing, following the template of Atlassian, which it's often compared to, with such a move expected within the next 18 months.

Canva's valuation has seesawed over the past two years. Investor T. Rowe Price reportedly marked down its stake by 68 per cent in June, while Franklin Templeton also cut its valuation by 10 per cent last year, after lifting it by 22 per cent in 2022.

Blackbird's sale of $150m of its shares last August equated to about 3 per cent of its total stake.

Blackbird's First Fund invested $3m into Canva a decade ago. As of last August, that shareholding is now worth more than $1bn.

Blackbird's investors include a host of the nation's largest superannuation funds including AustralianSuper, Hostplus, HESTA, Telstra Super, Aware Super and the Future Fund.

# Change coming to parcel delivery

JARED LYNCH

E-commerce companies are set to phase out text messages alerting people to when their parcels are likely to be delivered this year in an attempt to close a common entry point for cyber criminals.

That's the top prediction from Richard Thame, chief executive of Singapore Post-owned Couriers Please, who said more companies were set to switch to Amazon-style app notifications.

"It's very rare for consumers in advanced overseas economies to get a tracking link via SMS," Mr Thame said.

"Clickable links on mobile devices will die off over the next year. Its life has probably been prolonged here in Australia. And I think there's a whole new generation of consumers who are using social platforms, so I think the next stage is that more seamless integration with the various other social platforms as well."

SMiShing, a variant of phishing, is a common tactic cyber criminals use, involving sending simple text messages with an urgent "call to action" such as asking someone where they would like their parcel delivered or to unlock and verify an account.

Once a fraudulent link is clicked, hackers can gain access to personal information, and even access to mobile phones, banking apps and email inboxes, potentially fleecing people of their life savings.

CBA warned that once a person clicks on a link, they are often asked to enter personal information, including card numbers and banking passwords. "Malware could also be installed on your device or you might receive a call where scammers attempt to convince you to share personal or banking details with them," CBA said.

In the first 10 months of 2023, Australians reported more than 11,000 parcel delivery scams to Scamwatch, with more than $720,000 lost. It is understood many more scams are unreported out of embarrassment.

People are at greatest risk of falling victim to scams during the peak delivery Christmas period, when people are in a rush and might not scrutinise SMS alerts as closely as they should.

Scammers are getting more sophisticated at impersonating legitimate companies, making it harder for customers to tell what is genuine and what is not.

And it's not just consumers that are being targeted. Australia's corporate leaders say a cyber attack now represents the single biggest external threat to the running of their businesses and is the top issue that keeps them awake at night, according to The Australian's 2024 CEO Survey.

No matter how prepared they think their business is, the chief executives believe the risk of a crippling attack is real and have highlighted how little control they have as it can unknowingly come from anyone they do business with.

In the past two weeks, cyber criminals have targeted one of Australia's biggest private hospital operators St Vincent's Health Australia, the country's largest car dealership Eagers Automotive, probiotic drink maker Yakult Australia, and Victoria's court system. The attacks came a month after an Australian Securities & Investments Commission report revealed "deficiencies in cyber risk management" across most companies.

# 19,000 storm claims lodged with Suncorp

CHRIS HERDE

Thousands of policyholders affected by devastating storms have lodged millions of dollars worth of claims with insurance giant Suncorp since the end of November last year.

Suncorp said that, as of Tuesday night, there had been 19,000 claims from Queensland, NSW, Victoria and the ACT over damage caused by storms.

Queensland – which was hit by the ex-Cyclone Jasper in the state's north and floods in the southeast – has been hardest hit, with a total of 12,500 claims, of which 9500 are home claims.

Suncorp said it expected more claims as the full impact of the current flooding became known.

Suncorp Group chief executive Steve Johnston said it was focused on assisting affected customers as quickly as possible.

"While the damage I have seen across both the south east and far north of Queensland has been significant and the recovery will take time, we have our teams and full supply chains mobilised and in action," Mr Johnston said.

"These rolling series of storms extended across multiple states and as far inland as Orange in the Central Tablelands of NSW.

"We have good capacity with builders, assessors and claims teams already working across multiple impacted communities helping get our customers back on their feet.

"These storms have been a reminder of the devastating impact of extreme weather and our deepest condolences to all those who have lost family and friends."

While it's too early to provide a total forecast cost given the ongoing nature, Suncorp expects it to be within its natural hazard allowance of $680m for the half year to December 2023. The natural hazard allowance for 2023-24 is $1.36bn.

The group has a comprehensive reinsurance program in place, with a maximum event retention of $350m and a 30 per cent Queensland Home quota share.

The Insurance Council of Australia is warning cyclone and flood-affected communities to beware of "disaster chasers" who offer quick-fix clean-up, repairs, and inspections, often demanding upfront cash payments for shoddy or incomplete work.

Some disaster chasers pressure homeowners to sign a contract on the spot for future repair work and may promise that their insurer will pay.

This can leave the homeowner liable to pay a commission or inflated repair bills not covered by their insurance policy, as insurers will only pay for approved work that is covered by a policy.

ICA chief executive Andrew Hall said extreme weather events often attracted unscrupulous individuals who exploited the vulnerability of affected communities. "We urge insurance customers to be vigilant and protect themselves from these predatory practices," he said.

# Last drinks: craft brewer calls in administrators

CHRIS HERDE

The director of an award-winning Sydney craft brewery and taproom who has been forced to call in an administrator said the business was hit by the "perfect storm" of inflation and dwindling demand that have been behind a wave of independent brewery failures.

Wayward Brewing Company in inner-city Camperdown, and its distribution arm, The Local Drinks Collective (LDC), have gone into voluntary administration through DBA Reconstruction & Advisory, which will seek to restructure the business.

Wayward was launched in 2012 by Peter Philip, who built the brewery and accompanying venue in 2015. It will continue to operate during administration, as will LDC.

LDC was formed in 2022 by Wayward Brewing Co and Batch Brewing Co. Batch is not involved in the voluntary administration process and continues to operate as normal.

Wayward Brewing Company founder Peter Philip with some of the brewery's products

PICTURE: DAVID SWIFT

A former chairman of the independent Brewers Association, Mr Philip said the past few years had been challenging for the industry with the expected Covid bounceback not materialising.

"It has a lot to do with consumer confidence and inflation, which affects people's ability to spend money," he said.

"Everybody is paying a couple of thousand more on their mortgages every month and they have to save money somewhere.

"Unfortunately people are drinking cheaper beer and they're drinking foreign-owned beer, with 85 per cent of our beer market controlled by two Japanese multinationals (Kirin and Asahi).

"They have the ability to flex their muscles with lower production costs and economies of scale, while our costs are 25-30 per cent more than they were a year ago. It's a perfect storm affecting smaller independent brewers and unfortunately consumers are not supporting us to the extent that we need."

The once booming sector last year was hit with a wave of independent craft brewers going under. Well-known names like Brisbane's Ballistic Beer Co and Parched Brewery, Victoria's Bad Shepherd Brewing and Dainton Beer, Running With Thieves in Western Australia and Sydney-based Tribe Brewing called in administrators.

While some have found new owners and investors, Mr Philip said he was confident that a deed of company arrangement proposal to creditors would provide a framework for the restructuring of Wayward Brewery.

"For us it's business as usual and we're looking to trade out of this and come out stronger," he said.

Mr Philip said that, as well as the fall in demand and higher production costs, independent craft brewers were hit with taxes that added as much as a third to the shelf cost of the brewery's product, which could not be absorbed.

"These economic conditions are affecting everybody but in this industry it is the independent craft brewers who are impacted the most," he said.

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# Australia toppled as global LNG king

PERRY WILLIAMS

Australia has been toppled as the world's top LNG exporter with the US taking the global crown for the first time amid strong growth from gas buyers in Europe.

US producers exported 91.2 million tonnes of LNG in 2023, marking an all-time high for the country, according to data compiled by Bloomberg.

The move put Australia back into the second-largest LNG exporter position, with Qatar only slightly behind in third.

Both Australia and Qatar have been jostling for pole position in recent years, while the US has also started to export more LNG at times, with access to low-cost supplies that can be shipped to buyers in Europe and Asia.

> 'Over 80 per cent of US LNG was exported to Europe in 2022-23'
>
> DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES

US LNG production is forecast to grow to 93 million tonnes by 2025, according to Australia's Department of Industry, Science and Resources, and 134 million tonnes by 2028. Australia, in contrast, will remain steady at 82 million tonnes through much of the decade.

Qatar has ambitions to turbocharge its supplies with plans to add an extra 42 per cent of capacity, taking its output to 110 million tonnes a year.

Qatar Petroleum will add four LNG trains, each with 8.25 million tonnes of capacity, equivalent to more than twice the capacity of Australia's largest export facility, the North West Shelf LNG plant in Western Australia.

Australia's LNG projects shipped 82 million tonnes of gas overseas in 2022-23, marking a new record, and worth $92bn to the nation's coffers.

The trigger for the US reaching the new high mark was the return to service of Freeport LNG in Texas and a boost from Venture Global LNG's Calcasieu Pass facility in Louisiana.

US exports will increase further in 2024 with the first LNG train from the Qatar Energy and Exxon Mobil-led Golden Pass set to come online in the second half of the calendar year.

Australia has pointed to surging demand from Europe for the growth of US LNG in the wake of Russia's invasion of Ukraine, which throttled supplies on the continent.

"US LNG exports remained strong through 2023, with substantial redirection to Europe occurring after LNG flows between Russia and Europe were stopped," the Department of Industry, Science and Resources said in a December quarterly report.

"Over 80 per cent of US LNG was exported to Europe in 2022-23, and the trend is expected to largely hold as Europe continues to seek reliable alternatives to Russian pipeline gas."

Australia looks set to lose its hold as the world's second-largest LNG exporter with Qatar embarking on a massive expansion from its cheap North Field reserves.

"Over the last decade, Qatari export volumes have been relatively stable at about 80 million tonnes per annum. Consistent with this trend, Qatari exports were stable at 20 million tonnes in the September quarter 2023, with the Qatar government noting that the nation's export capacity is currently fully utilised," the quarterly report found.

"More capacity is expected to come online soon, with six LNG trains under construction at Ras Laffan. On completion, the trains are projected to raise Qatar's LNG exports from 79 million tonnes in 2023 to 105 million tonnes by 2026. Demand for Qatar's new volumes has been high, with Qatar's energy minister predicting that all the new volumes will be contracted out by end 2023."

Australia is forecast to export 80 million tonnes of LNG in 2023-24, with volumes forecast to edge down to 78 million tonnes in 2024-25, on lower North West Shelf output from the Woodside Energy-led LNG plant.

"Australian LNG export earnings are forecast to fall to $73bn in 2023-24, easing to $64bn in 2024-25. Key risks to the forecast include a regional escalation of the Hamas-Israel conflict, as well as seasonal demand fluctuations that could raise earnings from spot sales," the government report forecast.

# Gold Road Resources hit as Gruyere performance stumbles

NICK EVANS

Shares in Gold Road Resources fell sharply on Wednesday after flagging another disappointing quarter from the company's half-owned Gruyere gold mine in WA.

Gruyere is operated by South African gold major Gold Fields and, in a prelude to the company's formal quarterly production report due later this month, Gold Road flagged a 15 per reduction in gold output from the mine in the December quarter, to 74,653 ounces. The company blamed "unexpected labour availability issues" for the shortfall, which put another black mark over the operating reputation of the gold mine.

Gold Road said Gruyere's output had just snuck above the bottom end of an already downgraded annual production guidance of 320,000-350,000 ounces, producing a total of 321,978 ounces for the full year.

The result disappointed the market, with Gold Road shares down 17.5c, or 8.9 per cent, to close at $1.78 on a bearish day for resources stocks. Fellow WA gold producers Northern Star Resources closed down 4 per cent on Wednesday, with Evolution Mining off 2.8 per cent and Westgold Resource down 0.8 per cent.

But Gold Road took an outsized hit, with RBC Capital Markets analyst Alex Barkley flagging a potential carry over of Gruyere's difficulties into the current year.

Mr Barkley noted that the preliminary numbers on the mining rate at Gruyere were about 8 per cent beneath expectations – despite Gold Road previously having flagged an improvement in mining levels through the second half of 2023, and into 2024.

Gruyere's contractor, MACA – which was acquired by Thiess in 2022 – added new drilling equipment and expanded the mining fleet at the open pit gold mine in the September quarter after a disappointing first-half performance forced a downgrade of annual production guidance at Gruyere.

Industry sources say that, while the WA labour market remains tight, conditions have eased compared to the height of problems, with the issue at Gruyere understood to be related to problems filling seats in the additional mining fleet mobilised by Gruyere's contractor. In June 2023 Gold Road downgraded production guidance on the back of the poor performance of the mine, stripping 20,000 ounces from previous expectations Gruyere would produce 340,000-370,000 ounces for the full year to the end of December.

Mr Barkley said in a client note on Wednesday the return of Gruyere's problems could lead to lower production in 2024, with Gold Road likely to give its annual production guidance with its full December quarter result later in January.

"Gold Road did not state whether these issues experienced in December would directly continue into the first quarter," he said. Mr Barkley noted that Gold Field's disclosures to the Canadian exchange have suggested the company expects to lift mining rates by about 40 per cent in 2024, to about 45 million tonnes a year – from a December quarter rate of about 35 million tonnes a year.

"Gruyere has recently commissioned new fleet, but mining rates do need a meaningful lift to sustainably achieve planned rates," he said. "We find Gold Road trades on fairly healthy multiples versus its peers, in part due to a perception of operating stability. This might be impacted by a weak fourth quarter, a miss to original 2023 guidance, and potentially soft 2024 guidance."

# More buoyancy forecast for iron ore miners

BLOOMBERG

**A freight train carrying iron ore towards Port Hedland – a derailment on Saturday, about 150km south of the port, may affect January export levels**

VALERINA CHANGARATHIL

The strong outperformance of iron ore majors in 2023 is likely to run for at least the next six months with China's steel production at "robust levels and expected to move higher", analysts at Citi say.

While slowing global growth is expected to be a headwind for metals this year, the momentum underpinning China's steel build-up and potential higher-than-expected earnings are strong tailwinds for the sector.

It comes as China's port inventories of iron ore are struggling to recover, given ongoing supply-side tightness.

Citi's research head Paul McTaggart said the broker is looking for a reversal in iron ore/metals performance – but not until well into the second half of this year.

"In addition, consensus estimates for iron ore prices in Q4 CY23 and H1 CY24 look too low, so earnings momentum for the iron ore exposures is expected to remain positive in the first months of CY24," he said.

On Wednesday, iron ore futures on the Singapore exchange were stronger at around $US142.55 a tonne – close to its 21-month high of $US143 a tonne a day earlier.

These prices are still higher than first-half consensus iron ore price forecast of $US108 a tonne and Citi's estimate of $US125 a tonne.

That milestone on Tuesday triggered record closing prices for Rio Tinto at $136.57 and Fortescue at $29.39.

Both closed in the red on Wednesday – in line with the overall S&P/ASX 200, which tumbled 1.4 per cent. Rio fell 1.4 per cent to $134.72 and Fortescue shed 1.9 per cent to $28.84. BHP dropped 1.5 per cent to $49.77. On Wednesday, Fortescue confirmed it was "on target for normal operations to resume today" in Western Australia's Pilbara region after a derailment on Saturday.

No one was injured in the incident that involved multiple iron ore cars derailed about 150km south of Port Hedland. The incident did not affect December or first-half shipped tonnes, but it is not clear if January exports are affected.

In its report, Citi said running spot commodity prices of $US140 a tonne through its models would see earnings upgrades of 8 per cent for Fortescue in FY24 and 60 per cent in FY25.

Citi has a sell rating on Fortescue, although recent iron ore price moves and the likelihood of consensus earnings upgrades "pose risks" to its view.

BHP would see a 2 per cent uplift in FY24 and 18 per cent gain in FY25, with Rio's earnings boosted by 9 per cent in 2024 (calendar year) and 21 per cent in 2025.

Citi retained its buy rating on Rio Tinto and left BHP at neutral.

The broker expects "the stringent monetary medicine that central banks have administered" along with the slowing of consumer demand will loosen labour markets and affect economic growth. It expects global growth this year to retreat to 1.9 per cent.

# Nation 'must win anti-fossil fuels war'

*Continued from Page 13*

existing infrastructure to be used as well as sufficient time to build replacement renewable energy sources.

Mr Gallagher said Australia must embrace carbon capture and storage.

"My fear is that we continue to delay the transformation of energy markets because of a debate that centres on one solution or one technology rather than a pragmatic, market-led, technology-neutral approach that allows industry to get on with decarbonisation."

The vision for Australia's LNG industry was echoed by Woodside's chief executive Meg O'Neill, who said the country must demonstrate its commitment to the sector by removing regulatory uncertainty surrounding new LNG projects.

"Reform is needed to resolve ongoing policy uncertainty related to timely approvals of much-needed investment, not only in new gas developments but across the energy and resources sectors more broadly," said Ms O'Neill.

"Without certainty around project approvals, Australia's position as a globally competitive investment destination is challenged and we risk missing the opportunity to demonstrate leadership in the energy transition," she said.

Environmentalists have secured a spate of legal victories in recent months, challenging regulatory approvals.

Santos and Woodside have been hit most notably, and Ms O'Neill late last year said she expected further challenges to its $16.5bn Scarborough project.

The two LNG giants are still in the early stages of merger talks, and it is understood they are expected to resume discussions this month.

A deal would create a global LNG giant, allowing a combined company to profit from the near-term demand for gas.

Woodside has positioned itself to capitalise on strong near-term demand for fossil fuels, while the company envisages demand for LNG to remain robust until 2050 as traditional sources of energy run low and new sources take longer to mature.

But a Woodside-Santos merger would not be entirely smooth.

Some investors question the WA oil and gas giant's interest in some assets owned by Santos.

# Airbus lines up $2.9bn cyber security deal

ADRIA CALATAYUD

Airbus is in talks to buy Atos's cyber security unit BDS, with an indicative offer that values the business at up to €1.8bn ($2.9bn) including debt.

The move comes nearly a year after the European plane maker's bid to take a minority stake in the Atos division that houses the cybersecurity unit fell through.

French IT group Atos said on Wednesday that it was in preliminary discussions with Airbus over a potential sale of all of its BDS business, and that it would now open a due diligence phase. Airbus's indicative offer was for an enterprise value of between €1.5bn and €1.8bn, Atos said.

Airbus confirmed it submitted a nonbinding proposal in relation to a potential acquisition of Atos's big data and security business.

BLOOMBERG

**Airbus says the deal would enhance its cyber defence**

Discussions remained subject to due diligence and there was no certainty that they would result in a transaction, the company said.

The French plane maker said the acquisition of BDS could enhance its defence and security portfolio with strong capabilities in cyber security, advanced computing and artificial intelligence.

Atos said it received two letters indicating nonbinding interest in BDS, one of which related only to part of the unit's operations.

The company is considering additional asset sales after changing market conditions forced it to reduce the size of a planned capital increase for Eviden, the division that includes BDS. A potential deal could help Atos cut debt.

Atos said it was continuing talks to sell its Tech Foundations division to EP Equity Investment, an investment company steered by Czech billionaire Daniel Kretinsky, but there was no certainty an agreement would be reached.

The company said it didn't rule out the sale of additional assets, particularly if the transaction with EPEI didn't go ahead.

THE WALL STREET JOURNAL

# UK business sentiment slumps

UK business sentiment ended 2023 stuck in a weak position, according to a survey of company directors.

The Institute of Directors Economic Confidence Index, which gauges prospects for the country's economy, dipped to minus 28 in December from minus 21 in November, nearing its recent low in June of minus 30.

"Although aspects of the business environment have improved in the last couple of months, particularly with regard to inflation, this is not yet exerting a meaningful impact on business decision-making," said the IoD's director of policy, Roger Barker.

However, in contrast to their outlook for the wider economy, business leaders' confidence in their own businesses rose in December.

With inflation abating, an early cut in Bank of England interest rates would be justified to help kickstart business confidence, Mr Barker added.

THE WALL STREET JOURNAL

# BrainChip rejigs deal to secure more funding

LOUISE BRANNELLY

Advanced artificial intelligence chipmaker BrainChip closed in the red despite amending a financing deal to provide it with growth funds.

The company told the ASX on Wednesday that it had entered its third amendment to a Put Option Agreement (POA) with LDA Capital, providing it with capital until December this year.

BrainChip said it was committed to meeting its obligation under the current agreement by drawing down the remaining $2.7m in the next three months.

"Under this third amendment, the company has agreed to an additional minimum drawdown amount of $12m to be drawn no later than 31 December 2024," the company said.

Chief executive Sean Hehir said BrainChip needed the ability to rapidly invest for growth.

"While we will continue to be judicious with our use of cash, having access to funding from our well-respected partners at LDA Capital, strengthens our business continuity position against well-capitalised and more established competitors in a highly competitive market," he said.

BrainChip shares fell 2.8 per cent to 17.5c on Wednesday. The stock had a disappointing 2023, sliding 77 per cent, making it the eighth worst stock on the All Ordinaries index. The stock got kicked out of the benchmark S&P/ASX 200 index a few months ago, which means it has fallen off the radar for many fund managers.

BrainChip, which traded as high as $2.34 a year ago, got good news last week with the US Patents and Trademarks Office granting it another patent.

BrainChip claims its world-first neuromorphic processor, Akida, mimics the way the brain works to analyse sensor inputs.

NOTICES

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**Notice of an award of damages to a prisoner,**

In accordance with section 104Y of the *Corrections Act 1986* notice is given that an award of damages has been made to former prisoner John Maugeri in a claim against the State of Victoria. The award money, excluding legal costs and medical expenses, has been paid into the Prisoner Compensation Quarantine Fund, where it will be held for an initial period of 12 months from 4 January 2024.

Creditors and victims in relation to criminal acts of John Maugeri are invited to seek further information from the Secretary to the Department of Justice and Community Safety. To do so, please contact the Victims Register Operations Manager, at Victim Services, Support and Reform on 1800-819-817.

Dated 4 January 2024.

THE WALL STREET JOURNAL.



# Copper the hot metal for gold miners

RHIANNON HOYLE

Gold miners recently celebrated the precious metal fetching its highest price ever. They are reinvesting much of that windfall in copper.

From central Mexico to the Australian Outback, gold producers led by Newmont and Barrick Gold are raising bets on copper through deals and other investments that will give them more influence over a commodity vital to the global energy transition. Copper is essential for building electric vehicles, wind turbines and solar-power systems.

Barrick is aiming to become "a major-league copper producer" by building an operation in Pakistan and expanding the Lumwana mine in Zambia's Copperbelt province, chief executive Mark Bristow told investors in November. Barrick says the Pakistan project – known as Reko Diq and expected to begin production in 2028 – will be among the world's 10 largest copper mines.

Colorado-based Newmont expanded its copper business by acquiring Australia's Newcrest Mining for roughly $US15bn in November, while other large gold miners including Evolution Mining and Canada's Agnico Eagle Mines have done large deals for copper mines recently.

"We're looking for copper as much as we are gold," said Jim Beyer, chief executive of Regis Resources, whose geologists are scouring land a few hours west of Sydney.

Copper is often found alongside gold. For years, however, it was largely downplayed by gold-mining executives who often used revenue from the industrial metal to make their gold appear cheaper in financial statements. Gold stocks historically traded at a premium to companies that mined a range of metals.

That's changing as investors wake up to competition for copper supply as the world electrifies and pivots away from fossil fuels. Many gold miners face rising costs, ageing pits and community opposition in many places.

"The world is going to have a massive copper deficit within the next decade," said Tom Palmer, Newmont's chief executive.

By some estimates, demand for copper will roughly double by 2050. Electric vehicles can use roughly four times as much copper as petrol-powered cars, while wind and solar-energy production can also require many times more copper, per megawatt, than producing electricity from fossil fuels.

Still, it may take years for miners' bets on copper to pay off. Copper prices have fallen by more than 20 per cent since hitting a record high in March 2022. Prices of some other commodities needed for the energy transition have fallen more.

Some of the weakness in copper prices reflects a plateauing in electric-vehicle sales growth in the US, and broader concerns around the outlook for the US economy. Some car companies are delaying plans on electric-vehicle spending, which could weigh on future copper demand.

For South Africa's Harmony Gold Mining, the purchase of an Australian copper and gold project for up to $US230m is a chance to help smooth the impact on revenue when metals prices swing in different directions. Copper is seen by many as a bellwether of an economy's health. Gold, on the other hand, often rises in price when the economic outlook darkens and investors want a hedge against inflation and other risks.

Gold producers are also contending with some critics questioning their existence. Researchers at the University of Oxford have called for an end to gold mining, highlighting the industry's challenges with emissions, waste management and water use. They argue there is already enough gold in circulation for technological uses and trading.

Mr Beyer, of Regis Resources, said gold remained the miner's raison d'etre and that he was under no pressure to invest in copper from shareholders, who view the precious metal as a key cog in the global financial system.

Still, Mr Beyer isn't ignoring the mood music. "Everybody loves renewables and the stories around – as they call them these days – forward-facing metals," he said.

Gold miners' appetite for copper adds to fierce global competition for known deposits, but also to the throng of explorers hoping to strike copper. Several global miners, including BHP and Rio Tinto, have made copper a priority because of its role in the energy transition.

In one of the boldest bets, Agnico Eagle last year bought half of Teck Resources' San Nicolas copper and zinc project in Mexico's Zacatecas state, a colonial-era silver-mining hub. Its $US580m investment marks a sortie into the industrial metal for a miner that today is more concentrated on gold than most.

Ammar Al-Joundi, Agnico Eagle's chief executive, said he expected the copper project to be extremely profitable for shareholders and that the miner's share of revenue from precious metals would only fall to about 93 per cent, from roughly 99 per cent.

Newmont gets about 10 per cent of its revenue from copper following the takeover of Newcrest, and expects that to rise to 20 per cent or more. Roughly 30 per cent of Newmont's reserves are now in copper.

"You can expect that the value of copper is going to increase, and the importance of copper in the portfolio is going to increase," Newmont's Mr Palmer said.

# Investors cry foul over Juul bailout

JENNIFER MALONEY

Two of Juul Labs' longtime directors – a Hyatt Hotels heir and a venture capitalist – helped bail out the e-cigarette maker when it was on the brink of insolvency.

It was a deal that preserved the equity investments of Nick Pritzker and Riaz Valani, cemented their influence over the company and secured them releases from liability in thousands of lawsuits against Juul. Now Juul is fighting a lawsuit from a group of investors alleging that those two directors were looking out for their own interests, not the company's.

Among the questions in dispute is whether the bailout that allowed Juul to avert bankruptcy in 2022 benefited insiders at the expense of other investors.

The allegations have come to light as the company is trying to raise new capital, become profitable for the first time and turn the page after a turbulent year-and-a-half.

Juul says it delegated decisions to independent directors and that it secured needed financing from investors who support the company's mission of offering adult cigarette smokers a less harmful alternative.

Juul was once a vaping juggernaut and one of the most valuable start-ups in the US. Tobacco giant Altria in 2018 invested $US12.8bn in Juul. Juul used nearly all the cash from Altria's investment to fund employee bonuses and shareholder dividends, including more than $US2bn to Mr Valani and more than $US1bn to Mr Pritzker, The Wall Street Journal has reported.

Since then, Juul has been beset by thousands of lawsuits over its marketing practices and embroiled in a dispute with federal regulators over whether its e-cigarettes can be sold in the US. Juul has denied allegations that it marketed its e-cigarettes to children and teens.

Juul began exploring bankruptcy in June 2022, when the Food and Drug Administration ordered its e-cigarettes off the market and a court stayed the order. By September 2022, according to sources, Juul's top executives agreed that bankruptcy was the likeliest outcome. The start of Juul's first bellwether trial was looming, and the company was struggling to raise money to settle outstanding lawsuits while its products remained in regulatory limbo.

In board meetings and in conversations with the CEO, Mr Pritzker and Mr Valani argued that the company shouldn't file for bankruptcy and offered it a bailout instead. Mr Pritzker and Mr Valani were early Juul investors and have long been powerful members on its board.

As the bailout was being discussed, Juul's chief executive and top lawyer raised concerns internally about potential conflicts of interest facing Mr Pritzker and Mr Valani. Mr Valani continued to press the case against bankruptcy to CEO K.C. Crosthwaite, while Juul interviewed candidates for a special board committee to oversee the company's next steps.

The bailout was done in three parts. Mr Pritzker and Mr Valani in September 2022 refinanced a Juul term loan and later loaned Juul more money to cover operating costs. Finally, the two directors, along with Juul co-founders James Monsees and Adam Bowen, backstopped a sweeping legal settlement and made an equity investment in Juul. Mr Pritzker, Mr Valani and the co-founders, named as co-defendants in many of the lawsuits, have denied wrongdoing.

# Retailers brace for returns hangover

LIZ YOUNG

At a brightly lit desk in an industrial town outside Allentown, Pennsylvania, Jean Fargas Maldonado carefully pulls a beige-and-white turtleneck sweater from its plastic wrapper and eyes every inch of the bulky garment before slipping it into a new bag.

Maldonado then unceremoniously tosses the bag into a huge grey bin, adding to a growing pile of hundreds of similar packages – striped blue scarfs, ruby-red shirts and countless other once-prized purchases – that are headed into the byzantine web of returned merchandise.

Maldonado and dozens of workers at a warehouse run by retail-services company Inmar Intelligence are part of a vast and largely unseen part of the retail economy, the operations that take over when sales go wrong, when gifts are broken or simply unwanted, or when clothing that looked just right in the store falls flat in the mirror at home.

Americans are estimated to buy more than $US5 trillion ($7.4 trillion) of goods last year, making the retail sector a crucial piece of the economy. Yet shoppers last year returned 16.5 per cent of items they purchased online and in stores, valued at almost $US817bn and double the percentage of goods returned in 2019, according to the National Retail Federation.

For many retailers, that is a major problem, and will take over much of their attention after the holidays trigger a costly returns hangover.

The returns eat into profit margins and force merchants to cope with the unwieldy and unpredictable flow of goods coming back. "We're heading for a trillion-dollar problem here," said Tom Enright, a retail analyst at research firm Gartner.

Inmar Intelligence and its 27,870sq m warehouse is on the front lines of the business known as reverse logistics – the flip side of the tightly planned supply chains that bring goods from far-flung locations to store shelves and e-commerce warehouses.

Workers at the site, which sits in an eastern Pennsylvania region filled with distribution centres that serve stores on the eastern seaboard, sift through as many as 950,000 goods a week from companies including fashion retailers, home-goods merchants, department-store chains and retail pharmacies.

Their job is to determine, one piece at a time, what is fit to go back on shelves and what will be donated, liquidated or sent to a landfill.

Even when items appear practically brand new, like the sweater Maldonado unwrapped, workers look closely to see if they are in pristine condition so they can be resold. Maldonado is armed with a lint roller and scissors to trim stray threads. At times, she smells the clothes to check if there is any body odour from a customer who wore the item before returning it.

Returns have become a particular pain point over the past four years. Consumers who began shopping more online during the pandemic got used to ordering items in several sizes and colours to try on at home and shipping back what they didn't want.

The flood of returns swells in the period after the holidays as people send back unwanted gifts.

# Tesla sales overtaken by China's BYD for first time

REBECCA ELLIOTT

Chinese carmaker BYD for the first time has topped Tesla as the world's largest seller of electric vehicles on a quarterly basis, a sign of China's emerging strength in the global market for battery-powered cars.

BYD reported selling more than 526,000 fully electric vehicles in the fourth quarter of 2023, compared with Tesla's sales of almost 485,000 for the same period.

Tesla remained ahead of BYD for the full year, however.

Elon Musk's electric-car maker said it delivered about 1.8 million EVs worldwide in 2023, meeting its full-year guidance and slightly beating Wall Street's expectations.

The figure was 38 per cent higher than the previous year's, showing that Tesla's growth rate slowed slightly as the company has entered an increasingly competitive chapter defined by more gradual expansion and slimmer profit margins.

By comparison, the Warren Buffett-backed BYD sold nearly 1.6 million battery-powered vehicles last year, up more than 70 per cent over 2022. Overall sales of more than 3 million new-energy vehicles in 2023 were up 62 per cent from a year earlier. Although nearly 90 per cent of BYD's sales came from China in December, its exports have been growing fast – overseas sales in the second half of 2023 more than tripled from a year earlier.

Tesla's results come as concerns are growing on Wall Street about the level of demand for its cars – and electric vehicles more broadly – in the year ahead.

The electric-car market has shown signs of cooling after a period of heady growth that has driven robust profit margins for Tesla.

In the US, some carmakers are finding fewer people are ready to go electric than they expected, as anxieties about finding enough places to publicly charge persist and higher interest rates make cars more difficult to afford.

Rival electric-vehicle maker Rivian Automotive also delivered 50,122 EVs last year, missing Wall Street's expectations. The company's vehicle sales for the fourth quarter fell 10 per cent over the third quarter, despite an increase in factory output.

Other major car companies are expected to report year-end sales figures for the US this week.

Abroad, competition continues to intensify in the EV sector.

Tesla's share of China's electric-vehicle market has held relatively steady nevertheless, ticking up to almost 12 per cent in the first 11 months of 2023, from almost 11 per cent in the same period the year prior. Full-year sales figures for the country have yet to be reported.

Tesla's shares kicked off 2024 in the red amid widespread declines on the tech-focused Nasdaq index.

Tesla shares roughly doubled in value in 2023 as the company slashed prices to boost demand and Wall Street regained confidence in the company's ability to execute on its longer-term plans.

Tesla aims to develop autonomous cars and halve production costs for its next generation of vehicles, which is widely expected to include a more affordable car.

In the near term, many investors are bracing for a tougher year ahead. Tesla delivered its first Cybertruck pick-up trucks to customers late last year, a milestone for a company that had not rolled out a new passenger-vehicle model in three years. But Mr Musk has warned that the process of ramping up factory production of the futuristic truck is likely to be arduous and expensive. The company didn't disclose how many Cybertrucks it sold in 2023.

Meanwhile, Tesla's steep price cuts over the past year have squeezed the company's once industry-leading operating margin, which as of the third quarter had fallen more in line with other major carmakers.

Some on Wall Street question how much more room Tesla has to grow without another less expensive car in its line-up. Its Model 3 sedan and Model Y crossover made up 96 per cent of Tesla's global deliveries last year.

The least expensive Model 3 starts at about $US39,000 ($57,700) in the US. Starting in January, that car and the mid-tier variant of the Model 3 no longer qualify for a $US7500 federal tax credit, as restrictions tighten on EVs with battery components made in China.

"In the very near term, we think worries over 2024 growth could dampen investor sentiment somewhat, especially considering the meaningful downside risk to next year's earnings," Deutsche Bank analyst Emmanuel Rosner wrote in a note to investors about Tesla before the new year.

Wall Street expects the company to sell about 2.1 million vehicles globally in 2024, according to FactSet.

Last year, Tesla grew at a faster pace than the global EV market, which expanded by 33 per cent, GlobalData estimated.

Tesla is scheduled to report year-end financial results on January 24 with Wall Street expecting annual profit to slide roughly 26 per cent to $US9.3bn, according to FactSet. Analysts forecast revenue will rise about 20 per cent to $US97bn.

AFP

BYD electric cars stacked at the international container terminal at Suzhou Port, in China's eastern Jiangsu Province

## EV carmaker revving up to take on the world

HEARD ON THE STREET

JACKY WONG

**China's electric-vehicle maker BYD will be on top of the world this year, with overseas markets its main battleground.**

**In the fourth quarter of 2023, it surpassed Tesla to become the best-selling pure EV maker in the world, having already overtaken Volkswagen last year as the most popular brand of any kind of car in China.**

**Mostly that is because China's EV market has been speeding ahead at full throttle. Sales of new-energy vehicles, which include plug-in hybrids, increased 37 per cent year-over-year in the first 11 months of 2023, according to the China Association of Automobile Manufacturers.**

**More than one in three cars sold in China were EVs.**

**And BYD has done even better. The Warren Buffett-backed carmaker sold more than 3 million new-energy vehicles in 2023, an increase of 62 per cent from a year earlier. About half were plug-in hybrids, but its sales of pure EVs grew even faster at 73 per cent. BYD data indicates it sold 526,409 pure EVs in the fourth quarter of 2023, compared with 484,507 vehicles that Tesla said it delivered in the same period.**

**BYD's Hong Kong-listed shares rose 11 per cent last year. Though that has handily beaten the broader market, it lagged Tesla, which had doubled last year. Partly, BYD was dragged down by broader malaise in Chinese stocks: Hong Kong's Hang Seng Index lost 14 per cent in 2023, its fourth consecutive year of declines.**

**Intense competition in China, marked by price wars throughout the year, was another concern. And that will probably extend into this year: There will be 158 new car models in China in 2024, 80 per cent of which will be EVs, according to HSBC. BYD can probably weather the storm better due to its vertically integrated model, as it did last year when it increased market share. Falling prices of raw materials, like lithium, probably will help, too. Still, Chinese EV makers are likely to look abroad for potentially better margins.**

**But Western countries are also getting more anxious about cheaper Chinese EVs flooding their markets. Europe has launched an anti-subsidy probe into EVs from China, while the Biden administration is considering raising tariffs on Chinese EVs. Chinese carmakers therefore have ramped up investment in Europe to make cars domestically there. BYD, for example, announced its first passenger EV factory in Hungary in December. Hungary is one of the countries that has been friendlier to China in the current geopolitical environment.**

**BYD's success at home has put it at the top in the global EV race. It will now try to copy its domestic playbook elsewhere, if nations elsewhere allow it.**

# New disruptions and geopolitics threaten to clog up 2024's supply chains

PAUL BERGER

Companies that assembled new supply chain strategies in the wake of the Covid-19 pandemic are having to put those plans into practice far faster than they may have thought possible.

Global supply chains are entering 2024 roiled by disruptions at two of the world's crucial trade corridors – the Panama Canal and Suez Canal – even as geopolitical tensions appear set to take a more prominent role in sourcing and distribution. That could potentially force countries and companies to redraw trade maps that have been built over decades.

At the same time, start-ups and longstanding businesses are establishing the new supply chains behind clean energy, including the operations backing an automotive sector that is a foundation of manufacturing logistics networks.

All of this is buffeting supply chains from semiconductors to consumer goods, pressing companies that sought to bring greater resilience and flexibility into their operations to act in a fast-changing manufacturing and shipping environment.

The sudden shocks and shifts will pose a challenge this year to ocean carriers, truckers and other freight and logistics companies that will have to divert resources according to diversions in cargo flows and swings in demand.

Wars in Ukraine and in the Middle East are threatening flows of grain, oil and consumer goods. Climate change and mass migration are disrupting trade lanes from the Panama Canal to the US-Mexico border. Growing geopolitical tensions are making international supply chains ever more complex.

Still, many companies, including big retailers, can point to dramatic success over the past year in clearing out the big stockpiles of inventory that they built up during the pandemic to cope with shipping disruptions and rapidly changing consumer buying patterns.

The broad measure of inventories to sales ratio across US retailers has stood at 1.3 from May 2023 through to the end of October, suggesting merchants have achieved some stability after the rollercoaster pandemic years.

With US holiday sales up 3.1 per cent this season from the previous year, many retailers reported leaner inventories that reflected restraint rather than a rush to restock.

"As we built our plans for this holiday season, we maintained our cautious inventory positioning and markdown sense of categories," Target chief executive Brian Cornell said on an earnings call in November. "This provides our team the necessary flexibility to quickly adjust to volatile trends, something that has served us well all year."

Many retailers and manufacturers during the pandemic flipped from a just-in-time strategy of receiving clothes, electronics and furniture as needed to a "just-in-case" strategy of hoarding inventory to avoid losing sales.

Now that most inventories are back to pre-pandemic levels, importers are pulling in fresh orders. But analysts at S&P Market Intelligence note high interest rates make it more expensive to carry large inventories and could push some companies back towards a "just in time" strategy, even as supply risks grow.

For logistics providers, the flexibility of their shipping customers means they have to respond with similarly nimble operations. "I don't think we're back to 'just in time,' but I think 'just in case' has been redefined at a lower level," said Sidney Brown, co-owner and chief executive of NFI Industries, a trucking and warehouse provider for some of the country's biggest retailers.

The trucking industry, which saw many lay-offs and several big bankruptcies last year after a pandemic period when the market ballooned, is banking on order volumes rebounding this year.

Many companies also expect more truckers to leave the road, which would help lift freight rates.

Ocean carriers are also having to pivot. A lack of rainfall in Panama is forcing authorities there to reduce the number of vessel transits on the Panama Canal.

And doubts are rising over the Suez Canal because of attacks on ships by Houthi rebels, based in Yemen, responding to Israel's war in Gaza.

## INDUSTRIAL SHARES

### A-B

### C-E

### F-K

### L-P

### Q-S

### T-Z

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## TOP 50 {Top 10 highlighted}

| | Rank | Market cap ($m) | Share price | $ Change |
|---|---|---|---|---|
| A1A | 44 | 1618.43 | 7.89 | -.36 |
| ANZ BANKING | 7 | 77413.32 | 25.74 | -.25 |
| APA GRP | 47 | 10953.82 | 8.46 | -.06 |
| ARISTOCRAT | 16 | 26065.87 | 40.5 | -.45 |
| ASX | 40 | 12346.16 | 62.74 | -.78 |
| BHP GRP | 1 | 252275.2 | 46.77 | -.77 |
| BLUESCOPE | 50 | 10131.62 | 23.17 | -.32 |
| BRAMBLES | 24 | 19036.55 | 13.68 | 0.02 |
| CAR GRP | 45 | 11570.91 | 30.69 | -.72 |
| CBA | 2 | 187278.2 | 112.13 | -1.48 |
| COCHLEAR | 23 | 19512 | 292.92 | -1.02 |
| COLES GRP | 22 | 20895.33 | 16.21 | 0.05 |
| COMPUTERSH | 32 | 14592.04 | 24.26 | -.17 |
| CSL LTD | 3 | 127589.8 | 284.81 | -1.49 |
| FISH&PAYK H | 79 | 12735.87 | 21.10 | -.24 |
| FORTESCUE | 5 | 88592.33 | 20.84 | -.55 |
| GOODMAN GRP | 12 | 46869.12 | 24.31 | -.8 |
| IAG | 37 | 13400.68 | 5.58 | 0.03 |
| JAMES HARDIE | 39 | 14045.5 | 55.39 | -1.09 |
| MACQUARIE | 8 | 69841.83 | 181.37 | -3.22 |
| MINERAL RES | 36 | 11538.11 | 69.36 | -1.26 |
| NAB | 4 | 95452.98 | 30.59 | -.27 |
| NEWMONT CDI | 46 | 11425.77 | 60.17 | -.36 |
| NORTHERN STA | 129 | 15135.24 | 13.17 | -.55 |
| ORIGIN EN | 33 | 14522.76 | 8.43 | -.04 |
| PILBARA MIN | 42 | 11822.21 | 3.93 | -.05 |
| QBE | 21 | 22095.01 | 14.79 | 0.1 |
| RAMSAY HLTH | 41 | 12089.31 | 51.82 | -1.44 |
| REA GRP | 20 | 23639.37 | 179.23 | -4.32 |
| RERCE AUST | 34 | 14237.49 | 22.04 | -.4 |
| RESMED INC | 31 | 34971.99 | 25.16 | -.23 |
| RIO TINTO | 11 | 50030.25 | 114.72 | -1.85 |
| SANTOS | 19 | 24915.16 | 7.56 | -.12 |
| SCENTRE GRP | 27 | 15259.21 | 2.94 | -.06 |
| SEVEN GRP HLDG | 38 | 13150.87 | 16.61 | -.57 |
| SONIC HLTH | 28 | 15204.94 | 31.89 | -.32 |
| SOUL PATSON | 43 | 11738.67 | 12.52 | -.43 |
| SOUTH 32 | 30 | 15127.22 | 3.34 | -.03 |
| STOCKLAND | 49 | 10360.31 | 4.34 | -.09 |
| SUNCORP GRP | 25 | 17529.63 | 13.8 | 0.07 |
| TELSTRA | 34 | 45408.9 | 3.91 | -.04 |
| THE LOTTERY | 48 | 10572.42 | 4.75 | -.08 |
| TRANSURBAN | 15 | 42348.72 | 131.68 | -.3 |
| VANGUARD ASI | 35 | 11898.61 | 92.87 | -1.31 |
| WESFARMERS | 9 | 64391.4 | 56.95 | -.56 |
| WESTPAC | 6 | 80080.71 | 22.87 | -.21 |
| WISETECH GLB | 37 | 24670.63 | 74 | -2.16 |
| WOODSIDE ENERGY GRP | | 109846.06 | 31.15 | -.3 |
| WOOLWORTHS | 13 | 45748.37 | 37.45 | -.06 |
| XERO | 36 | 16500.55 | 108.9 | -4.24 |

## TOP 10

### BEST PERFORMERS

| | |
|---|---|
| COOPER ENERGY | 11.54% |
| STHRNCROSSM | 3.11% |
| MEDIBANK PRV | 1.40% |
| SMARTGROUP CORP | 1.16% |
| NIB HOLDINGS | 1.08% |
| A MCOR | .89% |
| QBE INSURANCE | .68% |
| PACT GROUP HOLD | .58% |
| METCASH | .57% |
| UNIBAIL-RODA MCO | .56% |

### WORST PERFORMERS

| | |
|---|---|
| HEALIUS | 6.63% |
| RESOLUTE | 5.49% |
| ST BARBARA | 4.88% |
| MAYNE PHARMA | 4.11% |
| NORTHERN STAR | 4.01% |
| XERO | 3.79% |
| SERVICE STREAM | 3.38% |
| EMECO HOLDINGS | 3.23% |
| DOMINOS PIZZA | 3.09% |
| SUPER RETAIL | 3.03% |

## MAJOR STOCK MARKET INDEXES

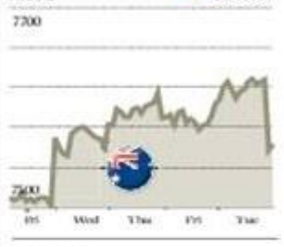
| Country | Index | Close | move | Year to date % change |
|---|---|---|---|---|
| US | DOW JONES | 37715.04 | +25.50 | +0.068 |
| US | NASDAQ COMPOSITE | 15011.35 | -8.329 | -0.055 |
| US | S&P 500 | 4769.83 | -13.52 | -0.283 |
| CANADA | TORONTO TSE 300 | 20958.44 | +29.06 | +0.139 |
| GERMANY | FRANKFURT DAX | 16069.36 | +12.72 | +0.406 |
| SPAIN | IBEX | 10182.1 | +80.00 | +0.951 |
| FRANCE | PARIS CAC 40 | 7530.86 | -12.32 | -0.097 |
| UK | FTSE 100 | 7721.52 | -11.72 | -0.152 |
| CHINA | SHANGHAI COMPOSITE | 2962.29 | -12.65 | -0.257 |
| HONG KONG | HANG SENG | 16642.54 | -146.00 | -2.375 |
| JAPAN | NIKKEI 225 | 33464.17 | 0.00 | 0.00 |
| NEW ZEALAND | NZSE 50 | 11730.13 | -40.36 | -0.343 |

## SHAREMARKET INDICES

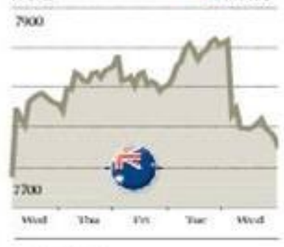
| | Close | Previous session | Year to date % change |
|---|---|---|---|
| ALL ORDS | 7,757.3 | -110.10 | -0.922 |
| ALL ORDS GOLD | 7,160.4 | -202.00 | -2.484 |
| METALS & MINING | 6,390.6 | -115.00 | -1.31 |
| S&P/ASX FINANCIALS | 6,695.1 | -68.30 | -0.347 |
| S&P/ASX 100 | 6,325.3 | -51.60 | -0.794 |
| S&P/ASX 200 | 7,523.2 | -104.60 | -0.891 |
| S&P/S MALL ORDS | 2,934.3 | -60.20 | -1.904 |
| CONSUMER DISC | 3,211.6 | -45.30 | -0.883 |

## WORLD WATCH

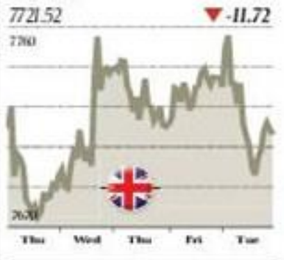
**S&P/ASX 200** 7,523.2 ▼ -104.60




**S&P/ASX ALL ORDINARIES** 7,757.3 ▼ -110.10

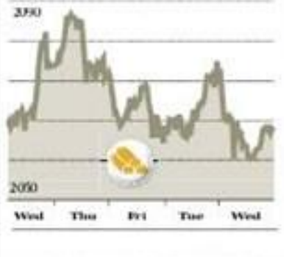



**FTSE 100** 7,721.52 ▼ -11.72




**DOW JONES** 37,715.04 ▲ +25.50

**GOLD** $US2,058.877 ▲ +$US5.456




**$AU/$US** $US0.677 ▼ -US0.59¢

## EXCHANGE RATES

| | buy | sell | | buy | sell |
|---|---|---|---|---|---|
| EURO (EUR) | 0.638 | 0.597 | JAPAN (YEN) | 99.08 | 92.84 |
| U.S. (DLR) | 0.697 | 0.655 | MALAYSIA (RGT) | -1 | -1 |
| U.K. (POND) | 0.553 | 0.517 | NZ (DLR) | 1.109 | 1.05 |
| CANADA (DLR) | 0.929 | 0.871 | SINGAPORE (DLR) | 0.928 | 0.868 |
| CHINA (YUAN) | -1 | -1 | S AFRICA (RND) | 11.029 | 12.018 |
| INDIA (RUP) | 58.034 | 54.168 | S KOREA (WON) | -1 | -1 |
| INDONESIA (RPH) | N/A | N/A | SWITZERLAND (FR) | 0.596 | 0.556 |
| ISRAEL (ILS) | 2.754 | 2.39 | THAILAND (BHT) | 24.517 | 22.868 |

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## MINING SHARES

### A-C

### D-F

### G-J

### N-P

### Q-S

### T-Z

Supplied by Pagemonitors 03/01/24

## METALS

| | Final | Variation |
|---|---|---|
| COPPER | | |
| LME $US/TONNE* | 8,440.5 | -23.42 |
| SELLA PARKER SCRAP AS/TONNE | 12,379 | -39.00 |
| NICKEL | | |
| LME $US/TONNE* | 16,337 | -318.00 |
| SELLA PARKER SCRAP AS/TONNE | 24,331 | +895.00 |
| ALUMINIUM | | |
| LME $US/TONNE* | 2,289.67 | -55.83 |
| SELLA PARKER SCRAP AS/TONNE | 3,431 | +10.00 |
| TIN | | |
| LME $US/TONNE* | 24,924 | -292.00 |
| LEAD | | |
| LME $US/TONNE* | 2,025.25 | -9.25 |
| SELLA PARKER SCRAP AS/TONNE | 2,982 | +7.00 |

| | Final | Variation |
|---|---|---|
| SILVER | | |
| REUTERS $US/OUNCE | 23.644 | -0.186 |
| PERTH MINTS AU$/OUNCE | 35.44 | -0.12 |
| GOLD | | |
| REUTERS $US/OUNCE | 2,058.877 | -3.713 |
| PERTH MINTS AU$/OUNCE | 3,062.2 | +16.69 |
| PLATINUM | | |
| REUTERS $US/OUNCE | 908.792 | -5.458 |
| PERTH MINTS AU$/OUNCE | 1,495.13 | -4.68 |
| PALLADIUM | | |
| REUTERS $US/OUNCE | 1,080.96 | -42.533 |
| PERTH MINTS AU$/OUNCE | 1,671.78 | -42.52 |

*The data and Trading prices are supplied under licence from LME. LME has no responsibility or liability to any third party in connection with the use of the Data and Information. Onward distribution of the Data and Trading prices by third parties is not permitted.

| | Final | Variation |
|---|---|---|
| AGRICULTURAL | | |
| INTERCONTINENTAL EXCHANGE | | |
| COFFEE | 190.15 | +1.15 |
| COFFEE 3 MONTHS | 187.65 | +1.45 |
| COCOA | 4,275 | -79.00 |
| COCOA 3 MONTHS | 4,238 | -76.00 |
| SUGAR | 20.9 | +0.32 |
| SUGAR 3 MONTHS | 20.58 | +0.36 |
| OIL | | |
| BRENT CRUDE | 75.97 | -1.11 |

| | Final | Variation |
|---|---|---|
| INTEREST RATES | | |
| CASH RATE | | |
| OVERNIGHT (AVERAGE HAM RATE) | 4.35 | 0.00 |
| DOMESTIC RATES | | |
| 90 DAY DEPOSIT RATE | 4.42 | +0.19 |
| 180 DAY DEPOSIT RATE | 4.57 | +0.20 |
| 10 YEAR BOND YIELD* | 4.054 | +0.047 |
| US FEDERAL FUNDS | | |
| RATE PER ANNUM | 5.33 | 0.00 |
| US TREASURY BONDS | | |
| US 10-YEAR TREASURY BONDS YIELDS | 3.941 | 3.866 |
| US 30-YEAR TREASURY BONDS YIELDS | 4.083 | 4.019 |

# Endeavour chair to exit after bitter rows

Continued from Page 13

shareholder vote at the rowdy AGM but it left Endeavour's board in open conflict.

It is believed that negotiations for a peace deal started at the end of the AGM.

Mr Hearl will oversee the new director appointments and intends to retire from the board after Mr Mervis obtains all necessary regulatory approvals and following an orderly transition to become the new chairman, anticipated to be by the end of April.

Mr Hearl has served as Endeavour's inaugural chairman since 2021, leading the company through its demerger from Woolworths as a stand-alone liquor and pubs giant that also owns more than 12500 gaming machines and a portfolio of other businesses such as wine auction house Langton's and numerous wineries.

"We welcome Ari and Peter to the Endeavour Group. Our focus on a deliberate and comprehensive process for board renewal has secured experienced and respected company directors. Ari and Peter's nomination completes the first phase of our board renewal process and future director appointments will be overseen by the new chairman-elect," Mr Hearl said.

"I have been honoured to serve as Endeavour's inaugural chairman, a business that proudly serves customers and communities right across Australia."

Despite the personal attacks, Mr Hearl in his ASX statement acknowledged Mr Mathieson Jr's contribution to the business.

Mr Mathieson Jr had run the pubs arm for some time before moving to the director's position.

Although he kept his public comments limited through the Endeavour struggles last year, he was known to be at odds with much of the board and Mr Hearl in particular.

His family's connection to the pubs arm comes from its original corporate identity as Australian Leisure and Hospitality Group.

"I am very proud to have worked and contributed to Australian Leisure and Hospitality Group and Endeavour Group over the past 25 years, as both an executive and board member," Mr Mathieson Jr said.

"I am confident that Ari and Peter will be committed directors and their skills and experience will contribute significantly to the board and our great company. The board's renewal sets up the Endeavour Group for strong and stable leadership to support management in driving returns for shareholders."

Mr Mathieson Jr was re-elected to the board at last year's AGM, but an Endeavour statement said the board intended to extend a board seat to "a suitable representative of BMG (Bruce Mathieson Group) based on BMG maintaining a shareholding in line with current levels".

The company said BMG would nominate an alternative director in due course.

"The board looks forward to working with BMG to agree on that representative, through whom the board expects to continue to benefit from the deep experience BMG brings to bear, particularly in relation to hotels," it said.

Woolworths is the second-biggest shareholder in Endeavour with a stake of 9.1 per cent, and at the AGM it voted against the election of Mr Wavish to the board.

AustralianSuper is Endeavour's third-largest shareholder with a 7.7 per cent stake, and it also voted against Mr Wavish's rebel bid at the AGM.

# ASX falls as US tech stocks falter

EQUITIES

DAVID ROGERS

Australian stocks had their worst day in more than three months on Wednesday as tech stocks took a hit on Wall Street

A day after hitting a more than two-year high of 7632.7 points, Australia's S&P/ASX 200 index dived 104.56 points, or 1.4 per cent, to close at a five-day low of 7523.2.

It follows a 0.6 per cent fall in the S&P 500 on Tuesday amid sharp falls in the "Magnificent Seven" tech giants, including Apple, Meta Platforms and Nvidia.

In percentage terms, it was the biggest one-day fall in the ASX 200 since September 27.

On Tuesday the S&P/ASX 200 rose 0.5 per cent to 7627.8 points, just below its record closing high of 7628.9 reached in August 2021.

The local market had soared almost 13 per cent in about nine weeks from October 30 to January 2, tracking a rise in the US market amid expectations of rapid-fire interest rate cuts in the US after a "dovish pivot" by the Fed.

Analysts had warned that the rally was going a little too far and investors should prepare for a pullback, with tech titans such as Apple and Amazon likely to take a hit.

"The most common concern or belief we have heard from investors is that overbought conditions and euphoric sentiment will set up for a reversal to start 2024 in both bond yields" and stocks, Dennis DeBusschere, of 22V Research, said. "The overbought conditions and sentiment readings are tough to argue with."

On Wall Street, the Nasdaq slumped 1.6 per cent on Tuesday, though the Dow Jones Industrial Average enjoyed a small gain.

All sectors of the Australian market fell on Wednesday.

Bell Potter head of institutional sales and trading Richard Coppleson said Wednesday's fall "was not really a big deal" in the context of its recent gains.

"The real question is will the drop extend further and, if so, how far before those who have missed it and are long cash 'buy the dips'," he added.

**The market yesterday**

| | |
|---|---|
| S&P/ASX 200 | -1.37% |
| Industrials | -1.01% |
| Energy | -1.09% |
| Health | -1.33% |
| Cons disc | -1.39% |
| Comm serv | -1.6% |
| Materials | -1.75% |
| Real estate | -2.43% |
| Info tech | -3.03% |

Source: Bloomberg

Tech, property, materials and communications sectors fared worse than the benchmark index.

Heavyweight iron ore miners, banks, healthcare and property stocks did most of the damage, with **BHP** down 1.5 per cent at $49.77, while **Fortescue** slumped 1.9 per cent to $28.84 and **Rio Tinto** was off 1.4 per cent at $134.72

Among other blue-chip losers, **Commonwealth Bank** was down 1.3 per cent at $112.13 and **CSL** off 1.2 per cent at $284.81. **Goodman** dropped 3.2 per cent to $24.31 and **Macquarie Group** fell 1.7 per cent to $181.37.

BHP, CBA, Fortescue and Rio Tinto shares had hit fresh record highs in recent days.

Iron ore miners fell on Wednesday despite a further rise in iron ore prices amid expectations of supply tightness and hopes of policy stimulus from China after a recent speech by President Xi Jinping.

Singapore iron ore futures were up 0.6 per cent at $US142.65 a tonne after hitting a 21-month high of $US143.50.

The slump on Australia's sharemarket came after a tech-led sell-off in the US market as Barclays downgraded Apple to an "underweight" rating, citing disappointing iPhone 15 sales, particularly in China.

The 10-year bond yield rose five basis points to 3.93 per cent as traders trimmed bets of US rate cuts.

Japan's market remained closed for holidays.

# Not a happy new year for January 'barometer'

GETTY IMAGES

**Traders work on the floor of the New York Stock Exchange on the first trading day of 2024**

Continued from Page 13

gain of 1.2 per cent in January and 6.6 per cent over the rest of the year. When January was positive, it averaged 9.2 per cent for the rest of the year. When January was negative, it averaged just 2.1 per cent for the rest of the year.

US Treasury bonds also lost ground after a strong rally of late, brushing off some weaker than expected economic data on Tuesday as traders trimmed bets of rapid-fire US rate cuts this year.

After a 24 per cent rise in the S&P 500 last year, including a 16 per cent surge since late October, US investors will be motivated to take some profits after holding off for tax reasons, amid tailwinds from year-end window dressing and the Fed's dovish signals on interest rates.

Whether or not profit taking turns into something serious depends on the outlook for the economy and interest rates.

US ISM manufacturing data, FOMC minutes and US non-farm payrolls data this week will be key. With falling inflation expected to allow rapid-fire US interest rate cuts even with positive economic growth, stocks may sag if this "Goldilocks" narrative is questioned. Investors will also be keeping an eye on the Middle East as tensions rise across regional flashpoints.

RBC Capital Markets head of global commodity strategy Helima Croft saw increasing indications that the US and UK were preparing for a more large-scale military operation against the Houthi militants in Yemen after their repeated attacks on commercial shipping in the Red Sea.

> Investors will also be keeping an eye on the Middle East as tensions rise across regional flashpoints

"A key question is whether Iran will be a bystander if such a joint operation commences," Ms Croft said.

The risk of Israel opening a second front against Hezbollah in Lebanon "remains underappreciated by market participants" and was "one of the main conduits for direct Iranian involvement in the ongoing war," said Ms Croft, who previously worked as a CIA analyst focusing on energy security.

In recent days, senior Israeli officials have warned that they will target Hezbollah fighters if the fighters do not vacate their positions along the Lebanon border, and the Israel Defence Forces has carried out what it called "widespread" strikes on targets in southern Lebanon.

A more fulsome Iranian entry into the war would "dramatically increase the threat to regional energy supplies, not only because of the country's energy assets, but also its ability to imperil maritime traffic through the Strait of Hormuz," Ms Croft said.

While much of the current market focus is on the Red Sea and the Bab el-Mandeb choke point, she noted that the Strait of Hormuz was "far more consequential for global energy supplies", with an average of 15 million barrels of oil a day of OPEC+ crude travelling through the waterway last year.

Iraq may be a "third escalation channel" for the Middle East conflict, according to RBC.

"Since the start of the Israel-Hamas war, Iran-backed militias have fired more than 100 rockets at bases housing US troops or in the vicinity of American personnel in Iraq and Syria," Ms Croft said.

"We believe that if continuing assaults by Iran-backed forces lead to significant American casualties, Washington could find itself drawn back into another round of active fighting in Iraq."

# AI stars have to live up to the hype and make money

HEARD ON THE STREET

DAN GALLAGHER

One thing already seems certain about 2024: AI is going to need to start showing the money. Whether it can is a whole other question.

Excitement for generative artificial intelligence sparked by OpenAI's chatbot was the dominant theme for investors in 2023. The Nasdaq Composite jumped 43 per cent for the year – its second-best annual performance in 15 years. Meanwhile, technology and e-commerce companies on the S&P 500 averaged a gain of 57 per cent, more than double the broad index's overall performance for the year. Indexes tracking subsectors such as chips and software recorded their best annual gains since 2009.

But the new year might already be ushering in more-sober perspectives. Tech stocks fell sharply on Tuesday, with some of the biggest gainers of 2023 registering the steepest drops. That includes chip makers such as Nvidia, Intel and Advanced Micro Devices along with software competitors such as Salesforce, Adobe and ServiceNow. The megacap tech companies known as the Magnificent Seven averaged a loss of nearly 2 per cent for the day, equating to a loss of more than $US238bn in combined market value.

Hangover from AI hype wasn't the sole culprit. Apple shares fell more than 3 per cent on Tuesday after Tim Long of Barclays cut his rating on the stock to "sell," citing mostly lacklustre demand for the latest iPhones.

But it is last year's big, speculative run that added risk to the broader tech sector. Few companies aside from Nvidia are yet earning serious money on AI.

Adobe has already shown what AI let-down can look like. The software maker's stock price rose more than 85 per cent for the year ahead of the company's fiscal fourth-quarter report last month, as investors had high hopes that Adobe's new GenAI tools such as Firefly would spark a surge in demand. But Adobe ended up using the report to project only 10 per cent revenue growth for the new fiscal year – flat compared with the previous year's performance and a number that most analysts viewed as Adobe being conservative. The stock has still fallen more than 7 per cent since. A similar turn in sentiment could haunt many of tech's fourth-quarter reports starting later this month.

THE WALL STREET JOURNAL

# No cash in Hong Kong for starters

DAVE SEBASTIAN
REBECCA FENG

A dearth of initial public offerings in Hong Kong is causing companies to suffer cash crunches and put off expansion plans, showing how the steep market downturn is taking a toll on businesses that need to raise money.

The Asian financial hub was for years the top international fundraising venue for companies from China, and the broader region and came close to rivalling New York a few years ago.

But a prolonged stockmarket slump in Hong Kong and an exodus of foreign investors have made it exceedingly difficult for many companies to go public. Chinese regulators have also been sitting on many IPO applications, creating another barrier for businesses to overcome.

New listings on Hong Kong's stock exchange raised just $US5.9bn ($8.7bn) in 2023, the lowest total in more than 20 years, according to Dealogic.

In 2020, the first year of the pandemic, companies raised more than $US51bn in IPOs and secondary listings in the city.

Mainland China's IPO market had been more active – until that changed. Since August, the country's securities regulator has put most listing approvals on ice to prevent share sales from weighing on its flagging domestic stock market.

Larger and more established companies such as TikTok's owner, ByteDance, and the Asian insurer FWD Group, which has delayed plans for a Hong Kong IPO several times, can afford to wait for the market to recover. Businesses that have more pressing needs have been forced to make changes in the absence of fresh funding.

"They're being more disciplined in their spending," said Kenneth Chow, co-head of Asia equity capital markets at Citigroup. "They're preserving cash," he said of some companies that are waiting to go public.

The pipeline of companies wanting to list in Hong Kong includes biotech companies that need to raise funds for clinical trials, electric vehicle makers that haven't turned a profit, and other industrial manufacturers that want to expand their production capabilities.

"In the IPO preparation process, when we were discussing the use of proceeds and future expansion plans, there was a lot of discussion on cancelling or postponing certain projects," Hang Wang, co-chairman of the law firm Baker McKenzie's China capital-markets practice, said of a recent case.

In October, WM Motor, a Chinese electric-vehicle maker, filed for bankruptcy in Shanghai after suspending most of its production. The company, whose shareholders include the Chinese internet giants Tencent Holdings and Baidu, filed for an IPO in Hong Kong in 2022 and contemplated going public through a reverse merger.

Lu Da Pei Medical Group, an operator of private hospitals in mainland China, filed documents in 2023 for an IPO in Hong Kong but can't proceed with a stock sale because it has yet to receive a green light from China's securities regulator.

The company said in its prospectus that it plans to use the money it raises to relocate its flagship hospital in the northern province of Hebei to a bigger location.

THE WALL STREET JOURNAL

# Behind cheap stuff from Shein and Temu is a hard bargain with suppliers

YOKO KUBOTA
RAFFAELE HUANG

E-commerce sellers Shein and Temu are offering a lifeline for small suppliers in China's manufacturing hubs – but it isn't always a straightforward win.

In recent years, thousands of Chinese factories and vendors have joined the supply chain for Shein and Temu, whose popularity has exploded in the US with their offers of inexpensive made-in-China goods, from T-shirts and handbags to electronics and kitchen items.

The two platforms enable factories and vendors on the ground in China to reach vast new numbers of consumers across the world. Shein sells to more than 150 countries, while Temu sells to more than 40.

But it is a trade-off. Some suppliers that spoke with The Wall Street Journal said they were grappling with razor-thin profit margins and intense pressure to cut prices. Others said they were drowning in unsold inventory and were questioning whether dealing with Shein and Temu would be sustainable in the long run.

Electronics vendor Jason Xie previously sold gadgets such as smartphone screens from a stall in a Shenzhen electronics market to buyers from the US, Middle East, Southeast Asia and elsewhere. When those buyers stopped coming during the pandemic, Xie turned to online commerce, first selling on platforms including Amazon.com and Pinduoduo, Temu's sibling platform in China. In May last year, he accepted an invitation from Temu's parent, PDD Holdings, to sell on Temu.

He was hoping to ride Temu's popularity overseas, but a few months later he was already questioning the sustainability of Temu's approach. Intended to be a high-volume, low-margin business, its marketplace was crowded and its profit margins were smaller than on Amazon, Xie said.

While some of his goods have been hits, including a $US12 ($18) wireless speaker that comes with an LED night light, others have been costly flops. At one point, Xie and his colleagues prepared 1000 $US3 ($4.40) smartphone bands in a variety of colours. With many similar items on the platform, they sold just a dozen or so.

There were other issues: Temu suppliers are responsible for many costs related to returns, and suppliers could also face penalties from Temu if consumers file complaints during returns, Xie said.

Temu said its low-price strategy benefits consumers and that there are manufacturers that excel on the platform, having developed economies of scale.

It pointed to Zhejiang Maibo Industrial, a factory in Wuyi in eastern China, which for years has been making water bottles and tumblers for other retailers. It started selling its products under its own brand on Temu in March, getting a profit margin of 20 per cent compared with 10 per cent when selling for other brands.

Bowen Wang, the head of the factory, said Temu's barrier to entry was low given that it handles shipping as well as marketing.

New supply-chain model Temu and Shein have up-ended the e-commerce supply chain with their on-demand business model; they place orders to suppliers to be delivered in days, rely on real-time data to quickly analyse demand and replenish orders as needed. That cuts down on the need for storage and limits inventory risk.

GILLIS SABRIE

**The production floor of a Shein facility in Guangzhou**

In some cases, that risk is getting transferred to the suppliers. Dongguan Michun Clothing, a maker of children's apparel near Shenzhen, has been supplying Shein for about two years, but in recent months has essentially halted work with the platform, said Zhang Qingwei, the general manager of the factory.

When Zhang's factory suggests products, Shein might express interest in purchasing a certain amount, but if the product doesn't sell well, Shein only takes a small share, leaving Zhang's factory to deal with the rest, but doesn't let him sell on other platforms.

"The risk is too great for the factory," he said. Revenue from Shein at its peak accounted for some 10 per cent of the factory's overall revenue, but is now down to around 1 per cent.

Shein said its system gives suppliers insight into what customers want as well as capacity, inventory levels and demand.

China-founded Shein, which is now based in Singapore, soared to American fame first, becoming a fast-fashion juggernaut over the past eight years. PDD launched Temu a little over a year ago, which quickly put pressure on Shein. For most of 2023, Temu has been the second-most popular e-commerce app in the US measured by monthly users, behind Amazon, according to estimates by SimilarWeb, a digital data and analytics company.

By July, Temu's sales in the US were bigger than Shein's, data from Earnest Analytics show. In recent months, Shein has forayed beyond fashion into the marketplace model, allowing third-party merchants to sell a variety of goods, putting it into more direct competition with Temu.

In the US, Shein and Temu each ship an estimated one million packages a day, says parcel-shipping consultant ShipMatrix.

Shein, for its fashion business, works directly with factories and said it has about 5400 suppliers, primarily in China. Temu did not disclose how many suppliers it has, but said most are in China.

Since Temu's debut, many other platforms, including TikTok, Alibaba Group's AliExpress and Shopee by Tencent Holdings-backed Sea, have also leveraged the Chinese supply chain to give global shoppers more and cheaper options. Amazon also has attempted to revive and expand its global selling program, with Chinese vendors a major target. As the market gets crowded, sellers are testing which platform can bring them the best sales and profits.

ADDITIONAL REPORTING: SHEN LU

THE WALL STREET JOURNAL

# 'RIPPING OFF AUTHORS IS OK'

*A Meta exec reveals Big Tech's thinking on AI and copyright*

JARED LYNCH

Comments from the chief AI scientist at Facebook owner Meta have revealed a glimpse into the thinking of the tech giants in regard to copyright and training artificial intelligence engines.

Yann LeCun wrote on X that "only a small number of book authors make significant money from book sales".

"This seems to suggest that most books should be freely available for download," he wrote, before trying to appear more altruistic about ripping off struggling writers.

"The lost revenue for authors would be small, and the benefits to society large by comparison."

LeCun contradicted Australia's former competition tsar Rod Sims, who warned that the rise of AI threatens to damage society by abolishing any incentive to produce art and other creative content as copyright becomes the major battleground for the much-hyped technology

Generative AI – the ability to produce a raft of content, from corporate reports to sonnets, via simple written prompts – has been hailed as a wonder technology that will turbocharge productivity.

But AI relies on data – or more precisely, other people's content, including novels, newspaper articles, poems and other literature – to deliver on its promises. The higher the quality of content, the better AI performs, otherwise it risks becoming a cesspool of misinformation and rubbish.

Artists, musicians and publishers say the tech giants must compensate creators for using their work to train AI engines.

It is an argument that is being tested on both sides of the Atlantic. The New York Times is suing Microsoft and ChatGPT maker Open AI, alleging that the companies' powerful AI models used millions of articles for training without permission.

Meanwhile in the UK, stock picture company Getty Images is suing Stability AI over photos used to power the technology company's Stable Diffusion image generator.

LeCun wasn't acting as a rogue agent when he took to X. He was responding to a post from Microsoft senior director Tren Griffin, who wrote: "A survey of 5699 published authors found that in 2022, their median gross pre-tax income from their books was $2000".

If that wasn't enough to make a struggling writer weep, Griffin added: "You can generate more revenue than that in less time by mowing lawns in your neighbourhood."

In other words, it's OK to steal someone else's content because they don't make much money from it. It's a stupid argument – and a sign that Meta boss Mark Zuckerberg and Microsoft CEO Satya Nadella need better staff.

After all, would Zuckerberg or Nadella condone one of their execs robbing a small business – or let's keep the analogy at scale, a cake stall at a school fete – because it doesn't make much money? Would they walk in to a newsagent and flog a newspaper? Or a loaf of bread from a baker?

If big tech bosses think such blatant theft is OK, it's no wonder public trust in the tech titans has plummeted. Just because something can be downloaded or viewable online doesn't mean you can steal it.

Tech companies may say that AI is creating public good, and indeed it has the potential to. But it shouldn't come at the expense of those who are making genuine, creative content and are already struggling to make a living.

The tech giants are making squillions. OpenAI's annualised revenue hit $US1.6bn ($2.37bn) in annualised revenue in 2023 and is on track to reach $US5bn by the end of 2024, according to US news website Axios. Microsoft, meanwhile, is charging its enterprise clients $US30 per employee, per month, to access its AI co-pilot. With millions of workers globally subscribed to Microsoft 365, it is set to make the company billions.

Google is charging a similar price for its AI assistant.

The big tech companies argue that AI platforms are expensive to run, given the sheer computing power it needs to operate, not to mention the data storage costs. Indeed, Microsoft is spending $5bn building nine new data centres in Australia to power the explosion in cloud computing from the rapid uptake of AI, while bolstering the nation's cyber defences.

The thing is, high-quality content is also expensive to produce, and Sims is not alone when he warns of the corrosive effects AI will have on society if the tech giants don't pay up.

Steve Hasker, CEO and president of Thomson Reuters – one of the world's oldest and biggest news and information companies – says publishers and content creators must be compensated fairly.

"We spend a lot of money generating what we think is world class, independent, fact-based news, and ensuring that there is a viable business model to support that is incredibly important for the functioning of financial markets, of our political system and really society itself," Hasker says.

Robert Thomson, global chief executive of News Corp – owner of The Australian – puts it more simply, saying the technology must not be allowed to be "degenerative AI".

"There has been much discussion, some of it enlightened, some not so, about the potential impact of generative AI and there is no doubt that it will profoundly affect the media business – candidly, generative AI may pose a challenge to our intellectual property and to the future of journalism," Thomson said last year.

"As those who have experimented with ChatGPT will be aware, the answers are only as insightful and factual as the source material and are more retrospective than contemporary."

The good news is that in Australia the federal government has left the door open to force tech giants to pay for content to train their AI engines as part of the media bargaining code.

But as Sims says, the risk the technology poses to copyright stretches beyond news media.

"Once you lose that link to ownership and reward of something you've created, then you are really damaging society because you are taking away the incentive of people to create news or write a novel, and so having this technology can completely override copyright and override ownership," Sims says.

# This may not be a year of media deals after all

HOLMAN W. JENKINS, JR

The streaming wars still aren't much fun for the participants. Netflix is still winning, but if you bought the stock during much of 2021 you're still losing.

Deals, deals, deals is the talk of 2024. This may be a happy omen if Apple or Amazon joins the bidding.

But it doesn't offer magic solutions, judging by the reaction to rumoured talks between Warner Bros Discovery and Paramount, two of streaming's also-rans. Investors instantly knocked $US2bn off their combined value.

Still, the industry is reported to be in play. Bankers are texting come-hithers to everyone from Comcast and Disney to the tech giants. As for strategy fixes, they've always been obvious. Bundling with a broadband or wireless supplier is the way to curb churn, or the curse of customers signing up and cancelling after bingeing the latest hot show.

To this end, many will be watching as Verizon Wireless this month begins dangling two years of cut-rate access to bundles including Netflix, Disney+ and the service formerly known as HBO before potential mobile customers.

How to incentivise the right programming also remains a puzzle. Netflix surprised everyone by recently plopping down six months of viewership data on 18,000 titles, and disturbingly the most watched shows weren't especially good as measured by press and social-media buzz.

In olden times, a movie or TV season represented a fixed production cost that, if it became a hit, could earn a multiple of its budget in profits. But nobody wants to build a streaming business around hit shows that lure customers who soon leave. Under a monthly subscription model, perhaps shows don't need to be good. They don't need to be watchable enough that anybody watches them to the end. They just have to rack up enough hours to leave consumers feeling they're getting value for their monthly subscription.

The incentive, as I pointed out during the Hollywood strikes, is also increasingly to provide background Muzak for viewers preoccupied with their phones. If Netflix is to be believed, one of the most important movies of 2023 was the half-watchable time-killer, The Mother, with Jennifer Lopez, apparently rivalling the number of hours viewers devoted to the in-theatre triumph Barbie.

In the pre-streaming world, "good" was determined by reviews, word of mouth, box office, the ineffable mood of an audience in a theatre. In the streaming world, if Netflix's recommendation algorithm succeeds in getting viewers to click, it hardly matters whether they watch only 30 minutes of a two-hour movie as long as total viewership hours mount up.

So what deals make strategic sense? Marrying yourself to a subscription business that consumers don't stop and start – though exactly this approach failed in the short-lived merger of AT&T and Time Warner, which fell apart over the complexity of managing a creative business inside a utility business.

Producing great shows and selling them to all comers would also seem to be a place of safety when others are committing streaming harakiri. As this column predicted when Disney yanked its licenced content from Netflix in 2018, Disney is now licensing content to Netflix again.

Even so, a production studio may still need a streaming affiliate to make sure its shows can find an audience. TV and film production isn't important to Amazon or Apple, which is an especially nice way to live in this world. Amazon and Apple are a peculiarly uncomfortable example to anyone who needs to make a profit from delivering entertainment over the internet.

An elixir for every trouble might be the Hollywood franchise, turning a creative business into a utility-like one with recurring revenues. Unfortunately Disney's stumbles with its Marvel and Star Wars franchises also suggest the moment you start relying too much on franchises is when you botch them.

But the biggest, wettest blanket may be Biden administration trustbusters. This is likely true whether proposed deals are big tech rescues or traditional consolidation deals, aimed at cost-cutting and extracting more cash from fading businesses.

To DC-based saboteurs, even a sinking media business clawing for survival is a "media monopolist". The Trump administration wasn't above fabricating a completely specious anti-trust analysis to delay for almost two years the sad sack AT&T deal. To Lina Khan and her acolytes at the Biden Federal Trade Commission, "big" businesses are only ever up to naughtiness. Especially for deals aimed mainly at cost-cutting and survival in the short term, running the gauntlet in Washington may not prove worthwhile even if the transactions were expected to be upheld by the courts eventually.

Which means 2024 may be doubly a year of uphill fights for companies struggling to cope with the decline of traditional TV and the profitless scrum of streaming, at least for that part of Hollywood not named Netflix, Apple or Amazon.

THE WALL STREET JOURNAL

Mergers and deals don't offer magic media solutions

# Construction costs slow ability to supply housing market

THE AUSTRALIAN CEO SURVEY 2024

*Mirvac chief executive and managing director Campbell Hanan*

NIKKI SHORT

Campbell Hanan says Mirvac needs to adapt to the market and be flexible

***How is inflation and the prospect of higher for longer interest rates affecting your business? Importantly, is the behaviour of your customers changing?***

Given the current conditions, we have tightened our lens on capital allocation, and we are increasingly selective in the new projects we commit to.

As the cost of doing business continues to increase, we're focused on leveraging our in-house design, development and construction capability to find innovative solutions (such as prefabrication) and drive efficiencies and cost savings (for example, through procurement), while maintaining quality and value for our customers.

The single biggest impact of inflation is on our construction costs, which affects the industry's ability to bring new homes to market efficiently.

Our customers are taking longer to make purchase decisions, particularly within our Residential business.

Retail sales growth has moderated, but remains supported by population growth in the catchments around our centres.

While the impact of higher rates is translating into slower decisions from tenants in the uptake of new office space, we are seeing strong inquiry for our high-quality, modern and predominantly prime-grade assets, and quality industrial precincts continue to see strong demand.

***How would you rate the shape of the Australian economy as we head into the New Year?***

A tight construction labour market is putting pressure on costs and the rising number of insolvencies is putting pressure on tier 1 and 2 subcontractor availability.

We currently have 89 per cent of costs secured for our construction projects in FY24, helping to mitigate the risk to our business.

The ability to adapt to the market and be flexible and selective in our deployment of capital is a key strength of our integrated model.

***What do you think is the big area of reform needed to happen so the Australian economy (and your business) can sustainably reach full potential?***

There is an urgent need for housing planning reform to help unlock much-needed supply into the market. Projected new apartment starts next year are at the lowest on record at a time when we need housing the most.

This year was a significant turning point, as we saw the federal government committing to clear housing targets alongside state governments, with incentives on the table, for the first time.

The Housing Australia Future Fund and other proposed planning reforms and infrastructure funding commitments are critical, but action is needed on the ground to ensure new homes are delivered to meet record demand. It's encouraging to see that all governments recognise the need for increased density around existing infrastructure to address our growing population.

***Australia has six years to meet its 2030 targets for a 43 per cent reduction in baseline emissions. What needs to happen here?***

The highest impact choice we can all make is to electrify. Homeowners can upgrade to electric as old systems reach their end of life. At Mirvac, we are doing the same within our high-performing, sustainable portfolio – designing out fossil fuels, buying 100 per cent renewable electricity to power our assets, and progressively removing gas from our operating assets. That's how we achieved our net positive in scope 1 and 2 carbon emissions target in 2021.

***What level of adoption is your business currently at with the use of AI technology?***

We were early adopters of analytical AI (traditional AI) at Mirvac, which we used to enhance our business processes – for example, rent forecasting in market research, infrastructure optimisation across our commercial assets, and computer vision across the construction of a project.

We recognise the immense potential for AI throughout our value chain to create new revenue streams, while deepening customer loyalty. We're experimenting with generative AI across our business, with a focus on customer engagement, content creation, and qualitative data analytics. We have strict cybersecurity and privacy guardrails in place and protections around intellectual property. Importantly, we meticulously review AI outputs before commercial use to ensure accuracy and relevance.

***What external issues do you expect to impact or disrupt your business within the next 12 months – the so-called 3am thought?***

The increased impacts of climate change are something we take seriously. We've seen the effects that extreme weather can have at our projects – for example, lost construction days to wet weather – and we're now entering an El Nino event, which we expect will put pressure on our communities and our assets.

We are also facing an ageing construction workforce. Construction workers made up less than 2 per cent of all permanent migrants, and the number of completed construction apprenticeships in our cities isn't rising in line with the volume of work. We need a greater focus on growing construction workforces through targeted skills programs and migration occupation intakes.

***Is business getting the balance right between investor, customer and other stakeholder demands when it comes to ESG issues?***

We know that stakeholder expectations are growing, particularly around scope 3 emissions and social sustainability, and we are adapting and refining our strategy based on input from our employees, customers and investors.

We are also seeing increasingly more sophisticated reporting requirements and growing demands for data, along with better integration of ESG strategy into business processes, such as procurement, debt and insurance.

There is an increased awareness around the value of trust and being trusted to do the right thing in the community – trust is what will give businesses the social licence to keep operating successfully into the future.

***How has your organisation's approach to staff working from home evolved since the pandemic?***

Mirvac had flexible work practices embedded well before the pandemic and it remains a core part of our employee proposition. After lockdowns eased, we quickly realised that there is no one-size-fits-all approach – particularly given the range of work sites and roles in our business.

Instead of mandating that employees are required to come in for a set number of days, we've indicated that we expect all employees to work for some time at a Mirvac site/office each week.

We encourage our leaders to have discussions with their teams to determine what works best, recognising that flexibility will vary depending on what's best for our customers, teams and individuals, as well as the mix of collaborative and focused work required.

# Socceroos' Asian Cup statement

MARTIN GABOR
SOCCER

It's been nine years since their famous Asian Cup win on home soil, and Socceroos star Craig Goodwin "genuinely believes" the Aussies can go all the way at this year's tournament in Qatar that begins next week.

The Socceroos are one of the favourites to win the event on the back of their strong World Cup showing in 2022, and they will be out to make an early statement when they face Bahrain in a warm-up match on Sunday morning (AEDT).

The match will be a great chance for some of the players to get used to the hot conditions in the Middle East.

It's something that Goodwin has grown accustomed to at his Saudi club Al-Wehda, where he scored a goal and set another up last week.

The Socceroos are 25th in the FIFA rankings, with Japan, Iran and South Korea the only Asian nations ahead of them.

It's why there's a quiet optimism they can go all the way having reached the quarter-finals in 2019 when they were bundled out by the UAE.

"I genuinely believe we have the squad to win the Asian Cup," Goodwin said.

"It's going to be hard and difficult but we have a good group with a good mentality.

> 'It's going to be hard and difficult but we have a good group with a good mentality'
>
> CRAIG GOODWIN SOCCEROOS STAR

"We have the potential to do something special here."

Australia opens its campaign against India next Saturday before taking on Syria and Uzbekistan in Group B.

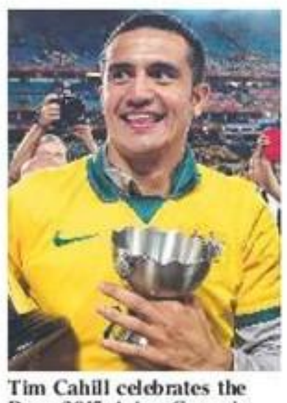
It's easy to get caught up in the emotion of the Socceroos returning to Qatar, where they got past the group stage and were eventually knocked out by Lionel Messi and Argentina who went on to win the World Cup, but Goodwin says it's a clean slate this time around.

"Qatar has been a happy place for myself and for us but it's about coming in with a different mindset and mentality. Coming in with more hunger to do more great things here," he said.

"None of us can get caught up in the thought process that we've done well here in the past and that it's going to come easy.

"We have aspirations to win the Asian Cup and to do that we have to have a ruthless mentality and to be focused on what's coming next.

"Although we're very happy with what we've done here in the past, that is in the past and we've got the here and now to focus on to try to bring the Asian Cup back to Australia."



Tim Cahill celebrates the Roos 2015 Asian Cup win

# Matilda feels right at home at Victory

ERIN SMITH

Alex Chidiac doesn't normally get nervous but with so little time spent on a football field last year that was how she felt sitting on the bench in her new Melbourne Victory kit.

The 24-year-old, who has donned the Matildas jersey 33 times since 2015, is just desperate to get back to doing the thing she loves – playing football.

Chidiac was named in the World Cup squad but given limited minutes off the bench in three matches.

After the World Cup she was dumped from the Matildas squad for the two-match friendly series against Canada last month.

She was eventually recalled to the Matildas following injuries to Sam Kerr and Holly McNamara.

The dynamic midfielder has re-signed with Melbourne Victory in the hope of increasing her game time and getting her mojo back.

Chidiac launched her professional football career in 2014 at age 15 with her home club Adelaide United in the then W-League. She played nine games and scored a goal.

She has now played in some of the top women's teams in the world, including Atletico de Madrid, JEF United Chiba, Racing Louisville and most recently, Tigres UANL. In between, she had stints at Melbourne City and Melbourne Victory.

During her last stint with Victory in the 2022-23 season she won the Julie Dolan Medal but it was the start of a tough 12 months.

Chidiac returned to Racing Louisville in the US and played just 140 minutes across nine games. It was far from ideal in the lead-up to a World Cup.

The lack of game time didn't prevent Matildas coach Tony Gustavsson from naming her in his 23-woman squad for the showpiece event on home soil.

Much to the dislike of fans, Chidiac only played three matches off the bench, often late in games. Locked into an NWSL contract that wasn't yielding any game time, Chidiac took a loan deal to join Mexican club Tigres UANL but it wasn't a great success.

"It's been a decision that's been coming for a long time," Chidiac said. "Especially post-World Cup. I was still contracted in the NWSL so I wasn't able to get out of that contract and then just signed with Victory.

"The only way around it, and to get more game minutes, was to go on loan. If I got more game minutes I was maybe going to stay but I didn't and I really miss playing. The past couple of seasons with Victory I've had the most fun playing, so I really just want to get back to that."

Chidiac loves playing for Victory and scored six goals in her 13 outings in the 2022-23 season.

When Chidiac's contract with Racing Louisville wasn't renewed, Australian fans wanted to see her back at Adelaide United.

"I don't know where all the rumours came from," Chidiac said. "I think the one that I liked the most was the Wellington Phoenix one.

"But Victory was always going to be at the top of the list. I think of Melbourne as home now, especially as my partner lives here."

Chidiac had three weeks to find her feet back home before her contract with Victory was made official but played her first game from off the bench early in the second half last weekend.

Victory had a second straight loss when it went down 2-0 to Western Sydney Wanderers.

The Matildas' Alex Chidiac has joined Victory

"I think it will take me a few games to get back into it again," Chidiac said. More game time means Chidiac will be back on Gustavsson's radar for the Olympic qualifiers against Uzbekistan next month.

"Those things are completely out of my hands," Chidiac said. "I don't see myself as only being a Matilda. I've had a lot of times in and out of that squad so it's easy to distance myself from it at times, not in a negative way.

"But if I only saw myself as a Matilda and didn't make the squad that would be quite difficult, so that main focus is Victory and trying to get my personal form back. If things come around and I get rewarded with that then that would be amazing."

Melbourne Victory plays Western United on Saturday at 6pm (AEDT).

# Preston serves up serious notice

*Continued from Page 24*

says it, but it is definitely a goal. Top three would be amazing as well, but we can't predict the future, so just keep chipping away and see where it takes me.

"I'm pretty happy with where I am right now."

Top 200 is next, and imminent, then post-summer goals include playing some higher-level ITFs and lower-level WTA events during her first full season on the senior tour.

"I guess we'll just have to see how the summer goes and where my ranking sits after that and then hopefully just sort of plan from there," says Preston, who does not believe a relatively diminutive stature should not be too much of an impediment to her progress.

"Honestly I haven't really thought about my height before. Especially in the women's game, I don't think it's a massive factor as much as it is in the men's. I mean, you look at Ash and she's not huge, so I think in the women's game it probably helps maybe a few per cent but I don't think it's a massive factor."

> 'I'm pretty happy with where I am right now. We'll just have to see how the summer goes and where my ranking sits'
>
> TAYLAH PRESTON
> RISING AUSSIE TENNIS STAR

The daughter of a boat builder and bookkeeper, Preston has always been "very very set" on making tennis her career.

Her first experience was at the age of four, at a multi-sports program run by tennis coaches that morphed into more formal lessons three years later. By eight, she started working with Dyer, who remains her coach a decade on.

At 13, Preston won her first ITF junior title; next came success at the 14/U nationals, then as one of two Australians at the Future Stars in China. All pre-Covid. Since, a highlight was the orange girl experience at the 2022 Billie Jean King Cup finals in Glasgow.

While Preston believes the strength at the pointy end of juniors has helped with her transition to open ranks, wildcards tend to help with everything, and a main draw treble that started at the low-key WTA tournament in the national capital will finish at Melbourne Park.

"I think it's super important my first couple of tournaments to get my matches going, just to sort of start playing higher ranked players and setting myself up hopefully for a good AO," she says, having booked a second round in Canberra against Japanese second seed Nao Hibino.

Growing up in Perth's northern suburbs, Preston particularly admired Barty 2.0, Maria Sharapova and Caroline Wozniacki, with the 2018 champion suiting up for her first Australian Open since returning, two children later, from a 2020 retirement.

Preston knows she could draw Wozniacki, titleholder Aryna Sabalenka, world No.1 Iga Swiatek or another big name on a stadium court, and is determined to be ready if it comes.

"I've definitely thought about it. We don't know what's going to happen yet but it's very exciting," she says.

# Mind games and body gains help surf star

CAMERON SPENCER/GETTY IMAGES

Australia's Isabella Nichols riding a wave at Manly Beach off Sydney in 2019. She says her body shape and strength have changed a lot in recent years

## Surfer sought mental and physical help to get back to the top

JAMIE PANDARAM
SURFING

Where's Wally and weight gain aren't your typical key ingredients for athletic excellence but surfing star Isabella Nichols says she believes they are exactly what will take her to the next level.

The 25-year-old Queenslander, with the help of sports psychologists, is incorporating unique methods into her training as she prepares for the 2024 season.

"I've been doing a lot of pressure drills because I've found that my weakness is making decisions under duress, stress and pressure," Nichols said.

"Especially in the heat, as time ticks on, I just have to make a decision, not even the right decision, just a decision.

"I've been putting myself in those situations more often where I have made the stakes a lot harder and a lot higher, adding challenges along the way, so if I do make a decision there are consequences."

So Nichols, who won the 2022 Margaret River Pro in the WSL series, has turned to the world's favourite hidden red-and-white-striped figure.

"We've done some Where's Wally things or some Scrabble games where you have to think on your feet really quickly, and then run back out and continue the heat," she said.

"We'll have a 15-minute heat and the consequence would be if you take off on a wave you will have to come and do a physically or mentally draining activity so it gives you the stimulus that, 'If I make a decision there are consequences'.

"Even if it's a good decision, you still have to come in and run around a pole.

"Those are things we've been doing to drill down that you do need to make a decision, and there are consequences and rewards for every action.

"But being decisive in any way, shape or form is better than being indecisive.

"They are 15-minute heats, so with the Where's Wally test you really have to calm your mind down and find out where he is, and it makes it a lot harder if you're thinking about getting your next wave.

"You have to learn how to focus on your breath and slow it down. Same with the Scrabble, the longer you spend on those tasks, the less time you get in the water, so it's regulating.

"I'm doing that through Surfing Australia. They have a couple of sports psychs there who have been helping me, to put myself in those situations more often.

"A lot of the time I fail, there are times I get it. Hopefully the more I do, the better I'll get at it.

"Even learning how to make a decision in general life, like what I want for dinner, what I want to do that day, all correlate to being a better performer in the water.

Nichols says she used to be "a bloody stick insect"

"It gives me the ability to make a decision quickly and confidently."

Nichols finished 15th overall in the women's series last year, having made the second round in the first three events, placing third at Bells Beach and then bombing at Margaret River to be knocked out in the first round and cut mid-year.

"If I can make the mental improvements, I'll give myself a lot better chance to not have to go back to the Challenger Series," Nichols said.

"Even having tough conversations rather than avoiding them like I previously did, that can lead to being more decisive in the water. I still have a long way to go but I still have time.

"I go to Hawaii on January 6, the competition doesn't start until the 29th, so I have time to work on things."

One of the key changes Nichols has made over the years is her physique. She has used weight-lifting, pilates, and cardio and breath work to gain weight.

"My body is changing," Nichols said.

"It's a bit daunting at times because I used to have a really quick metabolism.

"Now, it's always what I've wanted – to get bigger and stronger – but it's daunting.

"I'm really happy with how responsive my body has been.

"But not just the surf industry, every industry, has painted a picture of thin surf girls in bikinis. Only recently, that's been knocked down by people.

"I know this but it's hard mentally to watch your body change even though you know it's for the better.

"Society is changing and we are realising that athletic women have different body shapes, and will have different body shapes if you want to do well, and that is my goal.

"It's breaking those gender stereotypes that we've been so ingrained to listen to from a young age but it is changing. I was 57kg a few years ago, I was a bloody stick insect. I look back at photos and think, 'How did I not snap?'.

"Now I'm 66kg to 67kg and feeling really strong and fit, and it's just that adaptation period that a lot of females go through, but I'm stoked.

"I don't want any young females getting into surfing thinking they need to be stick thin. I don't think there are any females on tour now that are uber thin.

"You need a different body type, with the change in wave profiles going to Pipe and Sunset and Bells and Margs.

"It's like a big-wave tour now so you actually need a bit of meat on your bones. You wouldn't throw any spray or look powerful, which is what the judges want."

Nichols is determined to bounce back into the top 10.

"The last few years have been very different, making the cut last year and then having to do the Challenger Series this year," she said.

"It's been a lot of adjusting but I feel like it's taught me a lot about myself and what I need to do to improve.

"That's where I spent a lot of the past six months, looking at how I can get better.

"Whereas maybe if I had not have that happen to me I wouldn't have looked so closely at the flaws I have and how I can improve.

"So it's been good but it's been a very tough challenge confronting all those things I need to get better at and working towards doing it, and failing a lot of the time at it.

"It's been rewarding and I love it. I have the best job in the world, we get to travel the world and go surfing."

***Catch every wave of the WSL Championship Tour live on Kayo Sports and Foxtel.***

# Out as he came in – exit on own terms

*Continued from Page 24*

inspired his extraordinary comeback from his lowest moment.

"I can't praise Candice more highly. I have a lot of time for her," Erskine said.

"To be brutally honest, I don't think David would have got through it all and been the person he is if Candice hadn't been his missus."

Warner started day one of "Warner Week" on a panel with his soon-to-be colleagues at Fox Cricket listening as actor Matt Nable gave a stirring narration of the cricketer's incredible life's journey.

"Let's go have a beer now," Warner said – but of course there was a job to do first.

Before play, Australian coach Andrew McDonald addressed his players privately in the SCG dressing rooms and paid tribute to Warner in front of his peers.

In McDonald's opinion, as well as captain Pat Cummins', Warner is the greatest three-format cricketer Australia has ever produced.

A highlights package was played and after the Test a farewell celebration party will be thrown in Warner's honour for his teammates, family and friends.

Warner was forced to take to the field in a replacement baggy green, after Pakistan spoiled the party and decided to bat first.

Despite his emotional pleas for its return, the thieves who stole Warner's baggy greens out of his luggage this week are still yet to come clean.

"I haven't found my caps. As I said in my video, if you have got my back pack, I'll give you my backpack, all I want is those baggy greens back. Please," Warner said.

Father Howard took aim at the "scumbag" who had nicked his son's most prized possessions.

"Whatever scumbag has taken it is going to have to lay it off very shortly," Warner Snr told SEN Radio.

"They'll find it dumped somewhere. I know he's emotional. He would love to walk out with that baggy green on but if he can't, he can't.

"What can you do?"

GETTY IMAGES

Warner with his daughters at his final Sydney Test match

# Snoop Dogg to be Paris Olympics correspondent for NBC

AFP
BROADCASTING

Acclaimed rapper Snoop Dogg will be a special reporter for US broadcaster NBC at the Paris Olympics this year.

The network has announced he will reprise his star turn at the Tokyo Games that delighted viewers.

"I grew up watching the Olympics and am thrilled to see the incredible athletes bring their A-game to Paris," Snoop Dogg said in a statement. "It's a celebration of skill, dedication and the pursuit of greatness.

"We're going to have some amazing competitions and I will be bringing that Snoop style to the mix. It's going to be the most epic Olympics ever, so stay tuned, and keep it locked.

"Let's elevate, celebrate, and make these games unforgettable, smoke the competition, and may the best shine like gold. Peace and Olympic love, ya dig?"

Snoop Dogg

NBC vice-president of Olympic production, Molly Solomon, said Snoop's commentating on dressage at the Tokyo Olympics in 2021 had gone viral and "earned Snoop a job as our special correspondent in Paris". "We don't know what the heck is going to happen every day but we know he will add his unique perspective to our re-imagined Olympic prime-time show," she said.

In a video, the Drop It Like It's Hot rapper brings his signature style and humour to interviews with US athletes, including gymnast Suni Lee and skater Jagger Eaton.

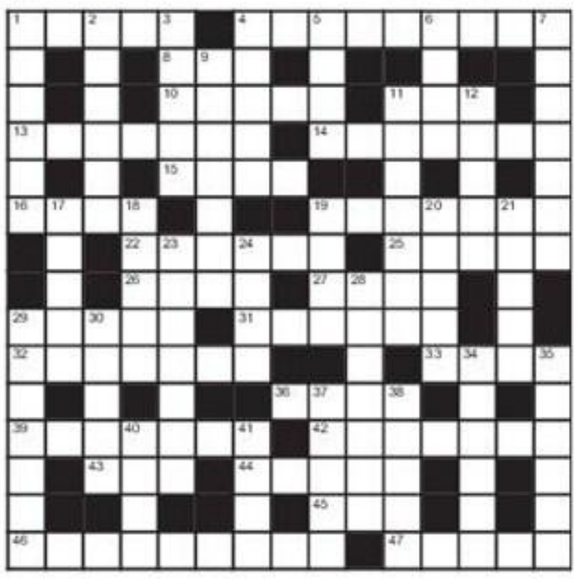
Snoop Dogg made his debut as an Olympic consultant at the Tokyo Games with observations that became viral sensations.

In a video on the artist's social media, he is dancing to rap music in front of the Eiffel Tower.

Snoop Dogg's global fame dates to the early 1990s when his debut solo album Doggystyle made its debut in the top spot of the hit albums chart.

## QUICK 13,025

*Solution inside tomorrow*



**ACROSS**
**1** Indian state (5)
**4** Interpret (9)
**8** Wrath (3)
**10** Sanity (5)
**11** Rocky height (3)
**13** Favourable outcome (7)
**14** Written law (7)
**15** Regrets (4)
**16** Runs into (4)
**19** Feign (7)
**22** Carry too far (6)
**25** Flowers (5)
**26** Foundation (4)
**27** Prophet (4)
**29** Gathering of witches (5)
**31** Corrects (6)
**32** Presented to (7)
**33** Lubricates (4)
**36** Halt (4)
**39** Starry (7)
**42** Formal speech (7)
**43** Tasmania (abbr) (3)
**44** Wrongly (5)
**45** Permit (3)
**46** Fast trains (9)
**47** Occurrence (5)

**DOWN**
**1** One giving insults (6)
**2** TV show (6)
**3** Skinflint (5)
**4** Time in grammar (5)
**5** Monkeys (4)
**6** Plunder (4)
**7** Stretches out (7)
**9** Begins again (7)
**11** Growing gradually lean (7)
**12** Governs (5)
**17** Assign (5)
**18** Not intoxicated (5)
**19** Assumed attitude (4)
**20** Trunk (5)
**21** Stair handrail post (5)
**23** Malicious destroyers (7)
**24** Peruse print (4)
**28** Sanction (7)
**29** Overturn (7)
**30** Manservant (5)
**34** Frozen formation (6)
**35** Poem of 14 lines (6)
**37** Works hard (5)
**38** Adhesive (5)
**40** Den (4)
**41** Narrow beams (4)

## SUDOKU

*Solution inside tomorrow*

| | | | | | | | | |
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| 2 | | | 8 | | | | 5 | |
| | 4 | 3 | | | | | 2 | |
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**ADVANCED**

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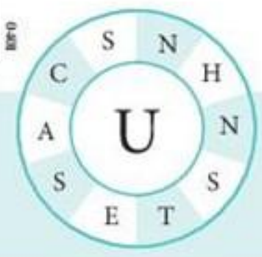
| 1 | | | | | 4 | 9 | | |
| 6 | | | | | 7 | | 9 | |
| | | | 8 | | | 1 | | 2 |
| 7 | 5 | | | 2 | | | | |

**EASY**

## CIRCUIT BREAKER

How many words of four letters or more can you make from these letters? In making a word, each letter may be used only once, and the centre letter must be included. No slang, foreign words, hyphens, apostrophes or plurals ending in 's'.




**TODAY'S TARGET:**
GOOD: 18
VERY GOOD: 23
EXCELLENT: 28
GENIUS: 33

*Source Collins Dictionary*
*Answers below*

## TAKE THE CHALLENGE

*Answers to The Challenge and Word Watch below*

**1** The German word kohl describes what kind of vegetable?
(a) Cauliflower
(b) Spinach
(c) Cabbage
(d) Broccoli

**2** What colour is the horizontal stripe at the bottom of the flag of Costa Rica?
(a) Red
(b) Blue
(c) White
(d) Green

**3** Which Australian TV series is set inside the offices of the fictional Nation Building Authority?
(a) *Total Control*
(b) *Fisk*
(c) *The PM's Daughter*
(d) *Utopia*

**4** The First Battle of El Alamein was fought during which war?
(a) Hundred Years' War
(b) World War II
(c) Six Day War
(d) World War I

**5** Willy and Bobo want to go into a business partnership with one of the main characters in which play?
(a) *A Raisin in the Sun*
(b) *Death of a Salesman*
(c) *Waiting for Godot*
(d) *The Importance of Being Earnest*

**6** In 2023, Ange Postecoglou became the head coach of which English Premier League team?
(a) Manchester United
(b) Liverpool
(c) Tottenham Hotspur
(d) Arsenal

**7** The Balearic Islands are a part of which country?
(a) Germany
(b) United Kingdom
(c) Norway
(d) Spain

**8** Which musician released the 2020 album *Apart Together*?
(a) Tim Minchin
(b) Guy Sebastian
(c) Tina Arena
(d) Alex the Astronaut

**9** The word, hautboist, is sometimes used to describe a person who plays what type of instrument?
(a) Trumpet
(b) Harp
(c) Cello
(d) Oboe

**10** Harry Garside qualified to compete in which boxing weight division at the 2024 Summer Olympics?
(a) Flyweight
(b) Featherweight
(c) Lightweight
(d) Welterweight

## WORD WATCH

1. WHAT IS SCINTILLESCENT?
2. WHAT IS AN ADJUTAGE?
3. WHAT IS LINGUIFORM?

## NUMBER CRUNCH

Insert each number from 1 to 9 in the shaded squares to solve all the horizontal and vertical equations. **Multiplication and division are performed before addition and subtraction.**

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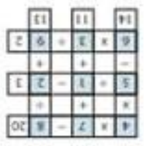
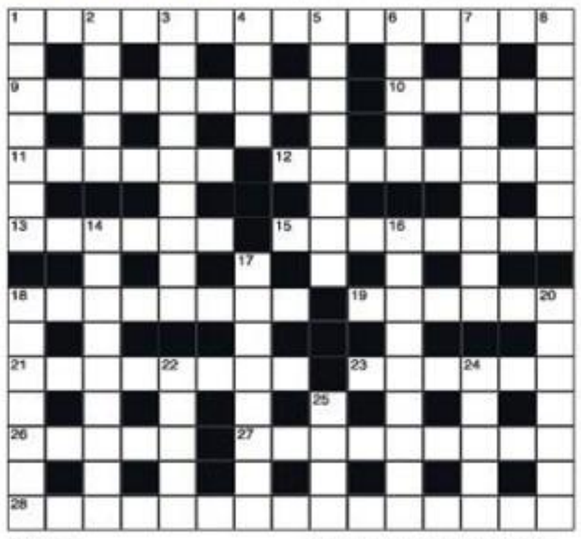
| x | | + | | ÷ | |
| | ÷ | | − | | 3 |
| − | | + | | + | |
| | x | | ÷ | | 2 |
| 14 | | 11 | | 13 | |



## TIMES CRYPTIC 12,949

*Solution inside tomorrow*



**ACROSS**
**1** Man getting sack, as if Mrs Thatcher could be bothered (6,9)
**9** Stress caused by commuter journey? (5,4)
**10** Ace to welcome having time off for match (5)
**11** Writer's well popular, returning to peak! (6)
**12** Bird with judge in black coat, not far ahead (8)
**13** Urban dweller to have secure fences (6)
**15** Barmaids worked on as engineer was called (8)
**18** Element, mostly temporary one, we must think (8)
**19** Coming soon, Jonathan Demme's Caged... (2,4)
**21** ...Heat, note, theatre putting out first showing a third time? (8)
**23** Bolts entrance to storehouse after derisory comment (6)
**26** Hold-up as echo's smothered in order to be quiet (5)
**27** Something of a catch, daughter ended single (5,4)
**28** Such as spring camping I love that comes to bad end? (4-11)

**DOWN**
**1** Follower of fashion with directions for making punch? (7)
**2** Take in run, coming in second (5)
**3** One's going to sea, so it's said — more easily with this? (3,6)
**4** Doctor Who won't fight no dalek, ultimately! (4)
**5** Again correct to swallow tablets to get most high (8)
**6** Writing on reflection remains a great success (5)
**7** Entering harbour, just losing way, a trip provider (9)
**8** Did pilot hit the roof crossing top of this? (7)
**14** One having a race with a "condition" — not well at finish (5-4)
**16** One camper wandering outside turned up 19 skeletons! (9)
**17** Musical work, something groovy recalled with books (8)
**18** Base display of arrogance greeting native American (7)
**20** Stretch one's mind with centre for reading (7)
**22** Bacteriologist favoured upping radiation (5)
**24** Show of concern? Not to women on vacation (5)
**25** Fixture, not ending all square (4)

**MIND GAMES** by THE AUSTRALIAN **Be on top of your game** Access some of your favourite newspaper puzzles plus more

# TELEVISION

**Grand Designs Transformations** 8.00PM ABC TV

**Martin Clunes: Islands Of The Pacific** 9.00PM ABC TV

**Chicago Med** 10.30PM NINE

### ABC TV (2) HD (20)

**6.00** **Makers Of Modern Australia.** (PGa, Rpt)
**7.00** **News Breakfast.**
**9.30** **Gardening Australia.** (Rpt)
**10.05** **The Princes And The Press.** (PG, Rpt)
**11.00** **Antiques Roadshow.** (Rpt)
**12.00** **ABC News At Noon.**
**1.00** **Vera.** (Mv, Rpt)
**2.30** **Muster Dogs.** (PG, Rpt)
**3.25** **Tenable.** (PG, Rpt)
**4.10** **Antiques Roadshow.** (Rpt)
**5.10** **Love Your Garden.**
**6.00** **Back Roads: Natimuk, Victoria.** (PG, Rpt) Guest presenter Paul West, a chef and food grower, visits the small town of Natimuk in Victoria.
**6.30** **Hard Quiz.** (PG, Rpt) Presented by Tom Gleeson.
**7.00** **ABC News.** A look at the top stories of the day.
**7.30** **Back Roads: The Great Australian Road Trip.** (Rpt) Heather Ewart takes a look at the evolution of the great Australian road trip.
**8.00** **Grand Designs Transformations.** (Premiere) Anthony Burke and Yasmine Ghoniem follow two challenging home transformations.
**9.00** **Martin Clunes: Islands Of The Pacific: Papua New Guinea.** (Ms) Part 1 of 3. Martin Clunes continues his epic journey across the Pacific.
**9.50** **Fake Or Fortune? A Sculpture In The Brambles.** (Rpt) Part 1 of 4. Philip Mould and Fiona Bruce investigate thrilling cases of art world mystery and intrigue.
**10.50** **Finding Alice.** (Ml, Rpt) A woman faces unexpected adversity after her partner falls down the stairs and dies.
**11.35** **The Missing Children.** (Ma, Rpt) Takes a look at the Tuam scandal.
**1.05** **Love Your Garden.** (Rpt)
**1.50** **Tenable.** (PG, Rpt)
**2.35** **Rage.** (MA15+adhlmsv) Continuous music programming.
**3.30** **Classic Countdown: 1986.** (PG, Rpt) Narrated by Deb Conway.
**4.30** **Rosie Batty's One Plus One: Di Morrissey.** (Rpt) Rosie chats to bestselling author Di Morrissey.
**5.00** **Makers Of Modern Australia.** (PGa, Rpt)

### SEVEN (7) HD (70)

**6.00** **Sunrise.** News, sport and weather.
**9.30** **Test Cricket: Pre-Game Show.** Pre-game coverage of the Third Test match between Australia and Pakistan.
**10.30** **Cricket.** Third Test. Australia v Pakistan. Day 2. Morning session. From the SCG.
**12.30** **Test Cricket: The Lunch Break.** Takes a look at the day of play so far in the Third Test between Australia and Pakistan.
**1.10** **Cricket.** Third Test. Australia v Pakistan. Day 2. Afternoon session. From the SCG.
**3.10** **Test Cricket: Tea Break.** Takes a look at the day of play so far in the Third Test between Australia and Pakistan.
**3.30** **Cricket.** Third Test. Australia v Pakistan. Day 2. Late afternoon session. From the SCG.
**6.00** **Seven News.** *(Sth/Nth/Wagga/Lismore)* ***7News Local.***
**6.30** *(Sth/Nth/Wagga/Lismore)* ***7News @ 6:30.***
**7.00** **Cricket.** Big Bash League. Game 26. Melbourne Renegades v Hobart Hurricanes. From Marvel Stadium, Melbourne.
**10.30** **Seven's Cricket: The Spin.** Lisa Sthalekar, Brad Hodge and Jason Richardson take a deep dive into the world of cricket.
**11.00** MOVIE: **Stuber.** (2019, MA15+lnv, Rpt) Stars Dave Bautista, Kumail Nanjiani, Mira Sorvino. An Uber driver's passenger turns out to be a cop on the trail of a killer, drawing him into a dangerous mission.
**1.00** **Black-ish.** (PGa, Rpt) Jack gets cut from the basketball team, leading to a family discussion about him being short for his age.
**1.30** **Travel Oz.** (Rpt) Greg Grainger takes a look at a variety of holiday destinations in Brisbane and Sydney.
**2.00** **Home Shopping.** (Rpt)
**4.00** **NBC Today.** International news including interviews with people from the world of business, politics, media and sports.
**5.00** **Seven Early News.**
**5.30** **Sunrise.** Takes a look at the latest news, sport and weather, with business and finance updates.

### NINE (9) HD (90)

**6.00** **Today.** The latest in news and current affairs.
**9.00** **Today Extra Summer.** (PG) Highlights from the year in review.
**11.30** **9News Morning.**
**12.00** MOVIE: **Love Afloat.** (2022, Rpt) Stars Alanna Smith. When a woman inherits a shabby sailboat, she hires a friend of the family to help her sail it to Miami.
**2.00** **Pointless.** (PG, Rpt) Presented by Alexander Armstrong.
**3.00** **Tipping Point.** (PG, Rpt) Hosted by Ben Shephard.
**4.00** **9News Afternoon.**
**5.00** **Millionaire Hot Seat.** (Rpt) Hosted by Eddie McGuire.
**6.00** **9News.** *(NBN)* ***NBN News.***
**7.00** **A Current Affair.**
**7.30** **RBT.** (Mal) A look at police random breath-test patrols, from major drink-driving operations to high-speed pursuits.
**8.30** **RPA.** (PGm, Rpt) The single mother of two teenagers faces a life and death battle as her rare and aggressive brain cancer returns.
**9.30** **Children's Hospital.** (PGm, Rpt) A boy scout on a bush camp is bitten by a mystery creature, possibly a deadly spider.
**10.30** **Chicago Med.** (MA15+am) Vanessa reflects on her dating life when she learns a patient's daughter is having an arranged marriage.
**11.20** **Emergency Call.** (Ma, Rpt) A private plane crashes in Wasilla, Alaska.
**12.10** **Tipping Point.** (PG, Rpt) Hosted by Ben Shephard.
**1.05** **Pointless.** (PG, Rpt) Presented by Alexander Armstrong.
**2.00** **GolfBarons.** (Rpt) A panel of experts discusses golf.
**2.30** **Global Shop.** (Rpt) Home shopping.
**3.00** **TV Shop: Home Shopping.** (Rpt)
**4.00** **Believer's Voice Of Victory.** (PGa) Religious program.
**4.30** **A Current Affair.** (Rpt)
**5.00** **9News Early.**
**5.30** **Today.** The latest in news and current affairs.

**Please Note:** Programs are correct at the time of print and are subject to change by the networks.

### TEN (10) HD (1)

**6.00** **Luxury Escapes.** (Rpt)
**6.30** **My Market Kitchen.** (Rpt)
**7.00** **Everyday Gourmet With Justine Schofield.** (PG, Rpt)
**7.30** **Entertainment Tonight.** (Rpt)
**8.00** **Farm To Fork.** (Rpt)
**8.30** **Judge Judy.** (PG, Rpt)
**9.00** **Jamie's Easy Meals For Every Day.** (Rpt)
**9.30** **Neighbours.** (PGa, Rpt)
**10.00** **Hungry.** (Rpt)
**10.30** **Luxury Escapes.** (PG, Rpt)
**11.00** **Food Trail: South Africa.** (Rpt)
**11.30** **Planet Shapers.** (Rpt) Sustainability stories.
**12.00** **Bondi Rescue.** (PGadl, Rpt) Conan O'Brien tries his hand at lifeguarding.
**12.30** **Bondi Rescue.** (PG, Rpt) A man is reported to have fallen from cliffs.
**1.00** **Dr Phil.** (PGa) Dr Phil counsels a family.
**2.00** **My Market Kitchen.** (Rpt) Cooks prepare a variety of dishes.
**2.30** **The Bold And The Beautiful.** (PG, Rpt) Forrester Creations heads to Rome.
**3.00** **Entertainment Tonight.**
**3.30** **Farm To Fork.**
**4.00** **Neighbours.** (PGa)
**4.30** **Jamie's Easy Meals For Every Day.** (Rpt)
**5.00** **10 News First.**
**6.30** **The Project.** Special guests include Daniel Ricciardo.
**7.30** **Thank God You're Here.** (Mdk, Rpt) Comedians include Kitty Flanagan, Marty Sheargold, Emma Holland and Guy Montgomery.
**8.30** **Inspired Unemployed (Impractical) Jokers.** (PGal, Rpt) Four Aussie mates set out to embarrass each other in a public setting.
**9.00** MOVIE: **Mean Girls.** (2004, Ma, Rpt) Stars Lindsay Lohan, Rachel McAdams. A teenager attending school in the US for the first time finds herself at odds with a clique of snooty girls.
**11.00** MOVIE: **Clueless.** (1995, Md, Rpt) Stars Alicia Silverstone.
**1.00** **The Project.**
**2.00** **The Late Show With Stephen Colbert.** (PG)
**3.00** **Home Shopping.** (Rpt)
**4.30** **CBS Mornings.**

### SBS (3) HD (30)

**6.00** DW English News. (Germany) **6.30** Al Jazeera News. (Qatar) **7.00** BBC News At Six. (UK) **7.30** France 24 English News. (France) **8.00** DD India News Hour. (India) **9.00** Legacy List With Matt Paxton. (US) **10.05** Paddington Station 24/7. (PGa, Rpt, UK) **11.00** Secret Cities. (PGav, Rpt, UK) **12.00** BBC News At Ten. **12.30** ABC World News Tonight With David Muir. **1.00** PBS NewsHour. (US) **2.00** Underwater Stonehenge. (PG, Rpt, UK) **2.55** Cook Up With Adam Liaw Bitesize. (Rpt, Australia) **3.00** Mastermind Australia. (Rpt, Australia) **3.30** Destination Flavour China Bitesize. (Rpt) **3.40** The Cook Up With Adam Liaw. (Rpt, Australia) **4.10** The Supervet. (PGa, Rpt, UK) **5.05** Jeopardy! (Rpt, US) **5.30** Letters And Numbers. (Rpt)
**6.00** **Mastermind Australia.** (Rpt, Australia) Contestants are given two minutes to answer questions on their chosen specialist subject.
**6.30** **SBS World News.**
**7.30** **Julia Bradbury's Irish Journey: South.** (PGa, UK) Part 1 of 4. Julia Bradbury travels across Ireland exploring its rich culture and history.
**8.25** **The Real Crown: Inside The House Of Windsor: Love And Duty.** (PG, Rpt, UK) Part 1 of 5. The inside story of the British Royal Family told only by the people in the know.
**9.20** **Paul Newman: Always On The Move.** (Malv, Rpt, France) Takes a look at Paul Newman, a perpetually dissatisfied man who lived his life free from Hollywood's shackles.
**10.25** **SBS World News Late.**
**10.55** **A Class Apart.** (MA15+d, Sweden)
**11.45** **Mr Mercedes.** (MA15+asv, Rpt, US)
**12.40** **Mr Mercedes.** (MA15+alv, Rpt, US)
**1.40** **Mr Mercedes.** (MA15+alv, Rpt, US)
**2.45** **Going Places With Ernie Dingo.** (Rpt, Australia)
**3.45** **Bamay: Central Deserts.** (Rpt, Australia)
**4.45** **Destination Flavour Scandinavia Bitesize.** (Rpt)
**4.55** **Destination Flavour Scandinavia Bitesize.** (Rpt)
**5.00** **NHK World English News Morning.** (Japan)
**5.30** ANC Philippines The World Tonight. (Philippines)

### FOXTEL HIGHLIGHTS

**FOX8** (108)
**12.00pm** Guessable. (M) **1.00** Taskmaster. (M) **2.00** Taskmaster. (M) **3.00** Rick And Morty. (MA15+) **3.30** Whose Line Is It Anyway? (PG) **4.00** Two And A Half Men. (PG) **4.30** Two And A Half Men. (PG) **5.00** Two And A Half Men. (PG) **5.30** Entourage. (MA15+) **6.00** Entourage. (MA15+) **6.30** Taskmaster. (M) **7.30** Taskmaster. (M) **8.30** Make You Laugh Out Loud. (PG) **9.30** Two And A Half Men. (PG) **10.00** Two And A Half Men. (PG) **10.30** Two And A Half Men. (PG) **11.00** Entourage. (MA15+) **11.30** Entourage. (MA15+) **12.00am** Rick And Morty. (MA15+) **12.25** Men In Black. (PG)

**FOX SHOWCASE** (112)
**6.00am** Wentworth. (M) **2.00** True Blood. (MA15+) **8.00** Curb Your Enthusiasm. (M) **9.00** Strife. (MA15+) **10.00** Mare Of Easttown. (M) **11.00** The Couple Next Door. (MA15+) **12.00pm** What We Do In The Shadows. (M) **6.30** To Be Advised. **7.00** What We Do In The Shadows. (M)
**7.30** **The Couple Next Door.** (MA15+)
**8.30** **Smothered.** (MA15+)
**9.00** **The Lovers.** (MA15+)
**9.30** **Mildred Pierce.** (M)
**11.30** Smothered. (MA15+) **12.00am** The Lovers. (MA15+) **12.30** What We Do In The Shadows. (M) **4.30** To Be Advised. **5.00** What We Do In The Shadows. (M) **5.30** Entourage. (MA15+)

**BBC FIRST** (119)
**11.05am** Close To Me. (M) **12.00pm** The Catch. (M) **1.50** The Control Room. (M) **2.55** Silent Witness. (M) **4.05** Death In Paradise. (M) **5.15** Unforgotten. (M) **6.15** Call The Midwife. (M) **7.25** Better. (MA15+) **8.30** Death In Paradise Christmas Special 2023. (PG) **10.10** The Bay. (M) **11.05** Death In Paradise. (M) **12.05am** Unforgotten. (M) **12.50** Silent Witness. (M) **1.50** Call The Midwife. (M) **2.50** The Catch. (M) **3.35** Chivalry. (MA15+) **4.05** Close To Me. (M) **4.50** Devil's. (M)

**Discovery Channel** (133)
**12.00pm** Blowing Up History. (PG) **12.55** Naked And Afraid. (M) **1.55** Outback Opal Hunters. (PG) **2.50** Sewer Divers. (M) **3.45** Deadliest Catch. (M) **4.40** Dirty Jobs. (PG) **5.35** Outback Opal Hunters. (PG) **6.35** Hoffman Family Gold. (M) **7.30** Hoffman Family Gold. (M) **8.30** Gold Rush: Parker's Trail. (M) **9.30** Aussie Gold Hunters. (PG) **10.25** Reclaimed. (PG) **11.20** Naked And Afraid. (M) **12.15am** Alaskan Bush People Specials. (M) **1.00** Blowing Up History. (PG) **1.50** Deadliest Catch. (M) **2.35** Naked And Afraid. (M)

**sky news** (103/600)
**6.00am** First Edition. **10.00** NewsDay.
**2.00** **Afternoon Agenda.**
**6.00** **Peta Credlin.**
**7.00** **The Bolt Report.**
**8.00** **Piers Morgan Uncensored.**
**9.00** **NewsNight.**
**11.00** **Piers Morgan Uncensored.**
**12.00** **Sky News UK LIVE.**

### FOXTEL MOVIES

**foxtel movies premiere** (401)
**7.35** **Ali & Ava.** (2022) (M)
**9.10** **After Yang.** (2021) (PG)
**10.50** **A Savage Christmas.** (2023) (M)
**12.30** **David Holmes: The Boy Who Lived.** (2023) (M)
**2.05** **The Machine.** (2023) (MA15+)
**4.00** **Black Adam.** (2022) (M)
**6.10** **Shazam! Fury Of The Gods.** (2023) (M)
**8.30** **Polite Society.** (2023) (M)
**10.20** **R.I.P.D. 2: Rise Of The Damned.** (2022) (M)
**12.06** **Magic Mike's Last Dance.** (2023) (M)
**2.00** **Assassin Club.** (2023) (MA15+)
**3.50** **Ticket To Paradise.** (2022) (M)
**5.35** **Whitney Houston: I Wanna Dance With Somebody.** (2022) (M)

**foxtel movies family** (403)
**7.05** **Dora Saves The Snow Princess.** (2008)
**8.00** **Turbo.** (2013)
**9.40** **The Secret Life Of Pets.** (2016)
**11.10** **The Secret Life Of Pets 2.** (2019) (PG)
**12.40** **Minions: The Rise Of Gru.** (2022) (PG)
**2.15** **The Ant Bully.** (2006)
**3.50** **Paws Of Fury: The Legend Of Hank.** (2022) (PG)
**5.30** **The Munsters.** (2022) (PG)
**7.30** **Harry Potter And The Goblet Of Fire.** (2005) (M)
**10.10** **Jumanji: The Next Level.** (2019) (PG)
**12.10** **The Witches.** (1990) (PG)
**1.40** **Cats.** (2019)
**3.30** **Guardians Of Time.** (2022) (PG)
**5.10** **Lost In Space.** (1998) (PG)

**foxtel movies comedy** (406)
**6.00** **Happy Death Day.** (2017) (M)
**6.15** **Zombieland: Double Tap.** (2019) (MA15+)
**7.50** **Scary Movie.** (2000) (MA15+)
**9.25** **Meet The Parents.** (2000) (M)
**11.15** **American Pie 2.** (2001) (MA15+)
**1.05** **American Wedding.** (2003) (MA15+)
**2.45** **The Change-Up.** (2011) (MA15+)
**4.40** **The Interview.** (2014) (MA15+)
**6.35** **Forgetting Sarah Marshall.** (2008) Jason Segel, Kristen Bell. (MA15+)
**8.30** **Due Date.** (2010) Robert Downey Jr, Zach Galifianakis, Michelle Monaghan. (MA15+)
**10.10** **Get Hard.** (2015) Will Ferrell, Kevin Hart. (MA15+)
**11.55** **Rough Night.** (2017) Scarlett Johansson. (MA15+)
**1.35** **Admission.** (2013) Tina Fey. (M)
**3.20** **The Boss.** (2016) Melissa McCarthy. (MA15+)
**4.55** **Clear History.** (2013) (MA15+)

**foxtel movies greats** (410)
**6.00** **Boiling Point.** (1993) (M)
**6.05** **The Blues Brothers.** (1980) (M)
**8.20** **Xanadu.** (1980)
**10.00** **The Big Lebowski.** (1998) (MA15+)
**12.00** **Philadelphia.** (1993) (PG)
**2.10** **Firefox.** (1982) (PG)
**4.20** **In The Line Of Fire.** (1993) (M)
**6.30** **Back To The Future Part III.** (1990) Michael J. Fox, Christopher Lloyd. (PG)
**8.30** **Blade Runner.** (1982) Harrison Ford, Rutger Hauer, Sean Young. (M)
**10.30** **2001: A Space Odyssey.** (1968) Keir Dullea, Gary Lockwood.
**12.50** **Born On The Fourth Of July.** (1989) Tom Cruise. (M)
**3.15** **The Breakfast Club.** (1985) Molly Ringwald. (M)
**4.50** **The Godfather Coda.** (2020) Al Pacino. (MA15+)

**Please Note:** All programs are in Eastern Daylight Saving time. N0401

## CHESS DAVID HOWELL

On Sunday July 16, ChessFest returned to Trafalgar Square. This was the first time I had been able to attend the annual event in person and it was truly incredible to see thousands of people descend upon London to watch and play chess. It is clear that the popularity of our beloved game continues to soar. Credit must go to Malcolm Pein, Chess in Schools and Communities, and XTX Markets for putting on such an inspiring celebration of chess.

My personal highlight of the day was the performance of 32 live actors. As the UK's highest rated active players, myself and Michael Adams had our favourite games re-enacted on a giant board.

**White: Michael Adams**
**Black: Sergei Tiviakov**
**PCA Candidates, New York 1994**
**Sicilian Defence**

**1 e4 c5 2 Nf3 d6 3 Bb5+ Nc6 4 0-0 Bg4 5 h3 Bh5 6 c3 Qb6 7 Na3 a6 8 Ba4 Qc7 9 d4 b5 10 Nxb5!** Some pins are more important than material. **10... axb5 11 Bxb5 0-0-0 12 b4 Bxf3 13 gxf3! Nb8** 13...cxb4 only helps White: 14 cxb4 Nxb4 15 Qa4. **14 Qa4 c4 15 d5! Nf6 16 Be3 Nfd7 17 Bc6 e6** 17...Ne5 18 b5! Nxf3+ 19 Kh1 does not save Black. **18 b5 exd5 19 exd5 Nb6 20 Qb4** Avoiding 20 Qe5? Nxd5. **20...Be7 21 a4** White's pawns are the real stars of this game. **21...Bf6 22 a5 Nxc6 23 bxc6 Nxd5 24 Qb5 Rde8 25 Bb6 Black resigns**

**White: David Howell**
**Black: Ivan Sokolov**
**Staunton Memorial, London 2009**

This game was played just down the road from Trafalgar Square, at the historic Simpson's-in-the-Strand. My next move was highly memorable. **28 Qh8+!** My opponent nearly fell off his chair. **28...Ke7** Ales not allowing the picturesque 28... Rxh8 29 Rxf7+ Kg8 30 Rf8+ Kg7 31 R1f7+ Kh6 32 Rxh8 mate. **29 Rxf7 Black resigns** After 29... Rxf7 White can go for mate with 30 Qe8+ or simply win the black queen after 30 Rxf7+ Kxf7 31 Qxh2.

**Spot the Move 1386:** White to play.

**Solution to Spot the Move 1385:** 1...Qh3! wins. White must lose material to prevent 2...Bxf3 and 3...Qg2 mate.

Look for **Mind Games** in the Review section of *The Weekend Australian* every Saturday.

It features crosswords, two Sudoku puzzles, chess, bridge, brain teasers and a 10-question quiz to test your general knowledge.

THE TIMES

## SOLUTIONS

**YESTERDAY'S ADVANCED**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | 3 | 5 | 9 | 2 | 8 | 4 | 6 | 7 |
| 9 | 7 | 2 | 1 | 4 | 6 | 8 | 5 | 3 |
| 8 | 6 | 4 | 3 | 7 | 5 | 9 | 1 | 2 |
| 3 | 1 | 6 | 7 | 8 | 4 | 5 | 2 | 9 |
| 5 | 8 | 7 | 6 | 9 | 2 | 1 | 3 | 4 |
| 4 | 2 | 9 | 5 | 1 | 3 | 6 | 7 | 8 |
| 2 | 9 | 1 | 4 | 5 | 7 | 3 | 8 | 6 |
| 7 | 4 | 3 | 8 | 6 | 1 | 2 | 9 | 5 |
| 6 | 5 | 8 | 2 | 3 | 9 | 7 | 4 | 1 |

**YESTERDAY'S EASY**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3 | 2 | 5 | 8 | 1 | 6 | 7 | 9 | 4 |
| 7 | 6 | 8 | 4 | 9 | 3 | 5 | 1 | 2 |
| 9 | 4 | 1 | 2 | 5 | 7 | 3 | 8 | 6 |
| 6 | 8 | 9 | 5 | 2 | 1 | 4 | 3 | 7 |
| 5 | 7 | 2 | 3 | 8 | 4 | 1 | 6 | 9 |
| 1 | 3 | 4 | 7 | 6 | 9 | 8 | 2 | 5 |
| 2 | 1 | 7 | 9 | 3 | 5 | 6 | 4 | 8 |
| 4 | 9 | 3 | 6 | 7 | 8 | 2 | 5 | 1 |
| 8 | 5 | 6 | 1 | 4 | 2 | 9 | 7 | 3 |

**QUICK 13,024**

**TIMES 12,948**

0401

**TODAY'S SOLUTIONS. CHALLENGE:** 1 - (c) Cabbage; 2 - (b) Blue; 3 - (d) *Utopia*; 4 - (b) World War II; 5 - (a) *A Raisin in the Sun*; 6 - (c) Tottenham Hotspur; 7 - (d) Spain; 8 - (a) Tim Minchin; 9 - (d) Oboe; 10 - (c) Lightweight

**WORD WATCH:** 1. twinkling; 2. a nozzle; 3. shaped like a tongue

**CIRCUIT:** acute anus ascus aunt centhus centus cause census chute cuesta cute haunt hunt huss nuance nuche nuchae sauce sauch saute schuss scut scuta scute shun shunt shut stanch STAUNCHNESS stun such suet sunhat sunn sunset sunten thus tuan tuna tune tusche unchaste unseat unsent unset usance

ISABELLA REBUILT
Changing mind and body for surfing success
{P22}

# Warner weathers late storm after Pakistan tail cuts loose

PETER LALOR
CRICKET

Forced to wear a borrowed baggy green after his own was stolen, David Warner spent a lot longer in the field than anticipated and faced just one over on the first day of his last Test match, but what an over it was.

With storm clouds forming around the ground and the clock closing in on 6pm, this was far from an ideal scenario.

There was some suspicion Nathan Lyon would be sent in as night watchman, indeed the spinner who in 2012 was applauded on to the ground by a Perth crowd that mistakenly thought he was the retiring Ricky Ponting, ran from the field and paddled up.

But Warner emerged with his helmet and pads on, gave Usman Khawaja a hug on the boundary and headed to the middle, opting to take the first delivery from Sajid Khan rather than put off the inevitable at the other end.

He leant back and drove the first ball through extra cover for four, flicked the third for two runs and was almost bowled by the spinner on the fifth delivery.

But the gods smiled on the batter and the ball cleared the stumps by a centimetre. He lives to fight another day, and a fight on their hands the Australians have.

When Pakistan lost two wickets in the first two overs of the morning, four in the first session, it seemed certain that Warner would be batting well before stumps. But the fact the Australian batters saw just one over is an indication things did not go as planned. Well on top of the game, Australia got a little cavalier with Pakistan's lower order and paid a heavy price.

Sure, they had an unbeatable 2-0 series lead and yes, the seamers had summarily dispatched the danger men. But the visitors were far from done. The tail wagged so hard that in the end you would have to say it was the visitors' day.

The opposition conspired to recover from a disastrous 5-96 to close the day with 313 runs on the board. A first innings that seemed destined to end in embarrassment for a side that's been outclassed and had no luck, finished with Pakistan taking the points.

Having accounted for the specialist batters, the seamers pulled their lengths back, set the fields at a similar distance, and went head-hunting in the final two sessions. In the last session less than 2 per cent of deliveries were aimed at the stumps and a high percentage were aimed toward the boundary.

Captain Fantastic, Pat Cummins, picked up his third consecutive five-wicket haul (5-61). Mitchell Starc (2-75) and Josh Hazlewood (1-65) both picked up wickets with their second deliveries of the morning, but the trio let things drift as the day wore on.

Mohammad Rizwan played the perfect wicketkeeper's innings. Batting with an abandon that defied the situation, he hit 12 boundaries on the way to 88, never letting Lyon settle and even unsettling Cummins with his sparkling stroke-play.

Rizwan and Agha Salman put on 94 from 101 deliveries for the sixth wicket, Salman following his half century in the second innings at the MCG with another here.

That partnership followed a solid 49 from Shan Masood (35) and Rizwan, but Pakistan weren't done yet. Seamers Mir Hamza and Aamer Jamal put on 83 for the 10th wicket, giving themselves something to bowl at.

The crowd of 33,000 was just settling into its seats when Starc dismissed Abdullah Shafique (0). The first ball had swung, the Pakistan batsman assumed the second would too but it was pushed across him and Steve Smith pouched a nice catch at second slip. Come the next over and it was Saim Ayub's (0) turn to fall victim to the Australian's two-card trick. The feisty young batter had come in as replacement for Imam-ul-Haq, handed a Test debut after a first-class summer that saw him peel off three centuries for the Karachi Whites.

He played a nice forward defence to the first delivery from Hazlewood and maybe could have got a bit further forward to the second. But in truth, he didn't do much wrong to a similar delivery that nibbled away and caught his outside edge and was gobbled up by Alex Carey in front of Warner at slip.

Cummins produced one of his rare, but beautiful, inswingers to cut off Babar Azam lbw when the former skipper had reached 26 and started to show something.

AFP

Pakistan wicketkeeper Mohammad Rizwan, centre, reacts after Dave Warner almost played the ball onto his stumps

## Out the way he came in – Warner exits on his terms

BEN HORNE

**Stories swirled around the SCG as David Warner took to his home ground for the last time – like the one about how he swapped the Bentley for a Toyota. It's part of life's rich tapestry for the man from the housing commission flats in Matraville who became a multi-millionaire cricket superstar.**

**When Warner and wife Candice first met manager to the stars James Erskine as he set out to rebuild his career after the Sandpapergate scandal, his new adviser had a parting shot.**

**"As he was leaving, I realised he owned a Bentley. I said, 'Oh by the way, one last thing – lose the Bentley'," Erskine said on 3AW radio. "Four days later he arrived in a Toyota truck, so I thought that was pretty impressive."**

**Warner reconnected with the person he is – a working class hero – and on Wednesday those people he grew up with packed into the SCG to watch his farewell, as an all-time great of Test cricket.**

**Father Howard and mother Lorraine, brother Steve and dozens of family and friends gathered to watch "The Bull" one last time among 33,905 Sydneysiders – the biggest day-one crowd for a Pakistan Test at the SCG.**

**It was a family affair as Warner led his three daughters, Ivy, Indi and Isla, out to the middle to sing the national anthem before play, the girls' with "Warner 31" emblazoned on the back of their matching whites. In the stands, was Candice, the rock of his life who**

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THIRD TEST

### Australia v Pakistan

*SYDNEY CRICKET GROUND*

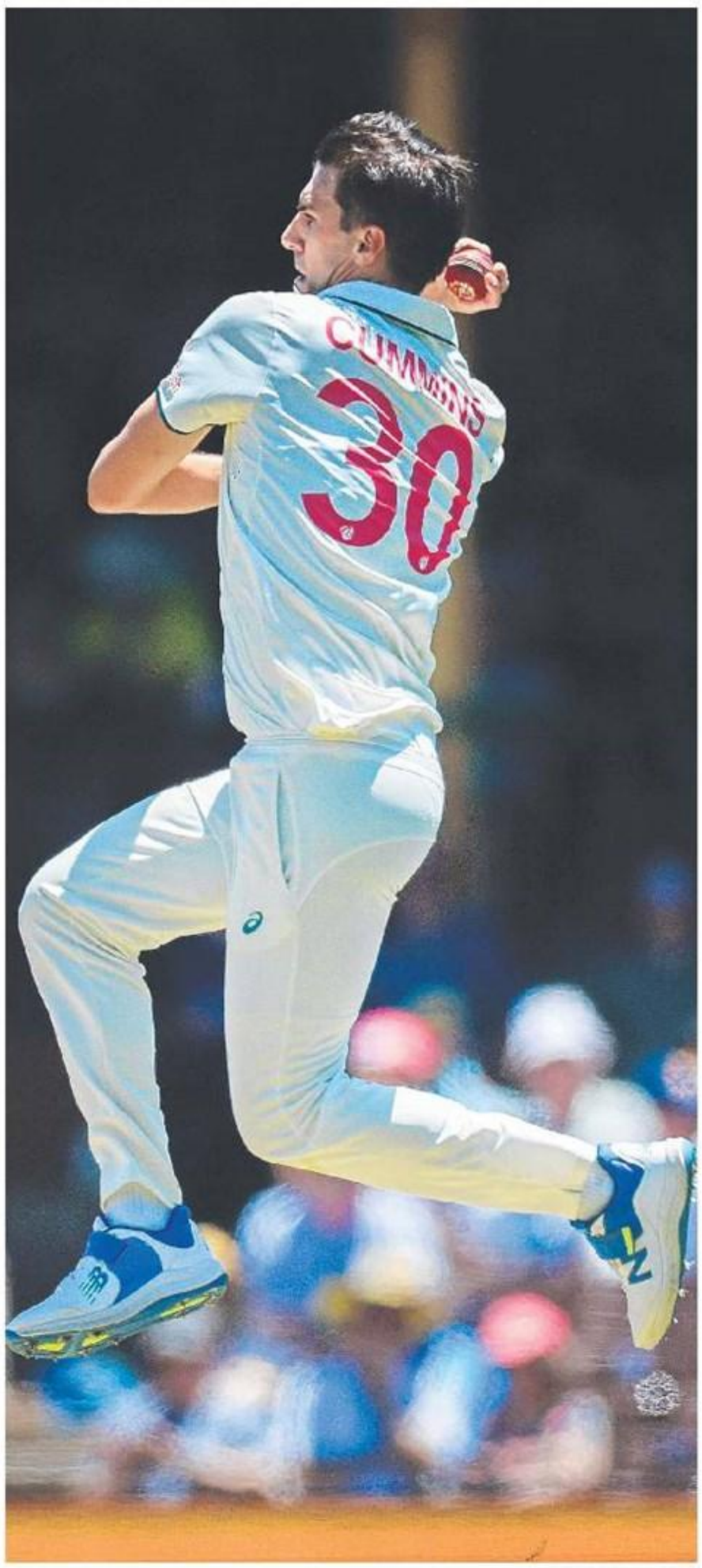
**Pakistan**

| | |
|---|---|
| **A. Shafique** c S. Smith b M. Starc | 0 |
| **S. Ayub** c A. Carey b J. Hazlewood | 0 |
| **S. Masood** c S. Smith b M. Marsh | 35 |
| **B. Azam** lbw b P. Cummins | 26 |
| **S. Shakeel** c A. Carey b P. Cummins | 5 |
| **M. Rizwan** c J. Hazlewood b P. Cummins | 88 |
| **S. Agha** c T. Head b M. Starc | 53 |
| **S. Khan** c N. Lyon b P. Cummins | 15 |
| **A. Jamal** c M. Starc b N. Lyon | 82 |
| **H. Ali** c M. Starc b P. Cummins | 0 |
| **M. Hamza** not out | 7 |
| Extras: lb, 1nb | 2 |
| **Total** | **313** |

**Fall:** 1-0 (A. Shafique), 2-4 (S. Ayub), 3-39 (B. Azam), 4-47 (S. Shakeel), 5-96 (S. Masood), 6-190 (M. Rizwan), 7-220 (S. Khan), 8-226 (S. Agha), 9-227 (H. Ali), 10-313 (A. Jamal)

**Bowling:** M. Starc 16-2-75-2 (4.69), J. Hazlewood 15-2-65-1 (4.33), P. Cummins 18-1-61-5 (3.39), N. Lyon 17.1-0-74-1 (4.31), M. Marsh 7-1-27-1 (3.86), M. Labuschagne 3-1-9-0 (3.0), T. Head 1-0-1-0 (1.0)

Fall: 0, 4, 39, 47, 96, 190, 220, 226, 227, 313



MARK EVANS/GETTY IMAGES

Australian skipper Pat Cummins picked up another five-wicket haul on day one of the third and final Test against Pakistan at the SCG

# Luai out to prove himself again, but this time at Tigers

MICHAEL CARAYANNIS
RUGBY LEAGUE

The wait is over. Jarome Luai has formally announced his long-term future after calling his own press conference on Wednesday when he detailed his move to join Wests Tigers on a mega five-year contract from 2025, worth more than $1.2 million a season.

Luai took a page from the US sporting landscape, fronting the media to reveal his decision.

"I want to thank my family and my friends for all their support and love and prayers throughout probably the toughest decision of my career and probably my life so far," Luai said.

"I've definitely got a lot more attention than I would have liked over these last couple of months and I guess this is what the purpose of this was – to clear everything up, get everything out of the way, out of respect and courtesy for the year ahead for my team and my teammates in 2024.

"Without further ado, man, in 2025 I'll be heading to the Wests Tigers to continue my career.

"The obvious reason was it was a great opportunity for me to provide and create for my family.

"But also to create something for myself. I've had a great connection with Benji (Marshall) and he's allowed me to, not yet, but we've spoken about the future and what he sees in me.

"I'm really excited about it.

"I've seen a few headlines about how he is going from the top to the bottom, and it resonated with me because I'm always backing myself to win, no matter where I go."

Asked about whether he was hurt by coach Ivan Cleary's recent comments about it being a risk to pay him $1m a season, given he hadn't led a team at the top level, Luai said: "It did shock me a bit, but he's not lying.

"It is motivating. I think anyone saying ill about me, motivates me. I've always had that edge and that chip on my shoulder.

"I've always been that kind of kid to prove people wrong. I haven't proven it on the biggest stage yet."

In a club statement, Wests Tigers coach Marshall said Luai would add experience and leadership to the 2023 wooden spooners.

"We are super excited to announce the signing of Jarome for the 2025 season on a five-year deal," Marshall said.

"His experience as a genuine premiership-winning playmaker will be great for us and the future of our club.

"We love the way Jarome plays his footy and even better, he is a great person. We very much look forward to welcoming Jarome and his family to our club in 2025, but right now, season 2024 is our focus."

Luai said he agonised over the decision, before turning down the chance to join former Penrith assistant Cameron Ciraldo, and former Panthers teammates Stephen Crichton, Viliame Kikau, Matt Burton and Jaeman Salmon at Canterbury.

"This is why the process has dragged on for quite a while," Luai said. "That was a tough decision. I

"I've got a lot of brothers there already. Cam Ciraldo is like my second dad.

Panthers star five-eighth Jarome Luai

"That was pretty tough to turn that away and walk this path alone and face this new challenge."

The NSW Origin and Samoan star has told Penrith officials and his teammates that he would not be there beyond this season and they informed Luai that they would waive any 10-day cooling-off period.

> 'We are super excited to announce the signing of Jarome for the 2025 season on a five-year deal'
>
> BENJI MARSHALL, WESTS TIGERS COACH

The Bulldogs also had interest in securing the 26-year-old.

However, it is the Tigers who won the battle with a deal that will make him among the highest-paid players in the competition, playing under his idol in rookie coach Marshall.

Asked about his goals when he joins the Tigers in 2025, Luai said: "Another five rings. I'm not sure That's the unknown and that's the beauty of it. I can't wait for the new challenge."

The announcement evokes memories of LeBron James in 2010 when the NBA star held a live television interview on ESPN titled "The Decision", to reveal he was leaving the Cleveland Cavaliers.

"I'm going to take my talents to South Beach and join the Miami Heat," he famously announced.

Luai defended the choice to hold a press conference, describing it as "a chance for me to own this decision".

"I think it's a great way to show that it's coming from my mouth and not from anybody else's," Luai said.

He is due to return to Penrith training this week after taking time off before Christmas to help decide his fate.

It's been a busy few weeks for the off-contract Panthers superstar, who took to Instagram on Christmas Day to announce his engagement to his long-time partner Bailey Paris Toleafoa.

The couple – who were holidaying with their children Izzy, Akira and Halo – showed off photos of their custom-made three-carat diamond engagement ring with the caption: "My best friend said yes".

The three-time premiership winner has played 107 games since making his debut in 2018.

# 'Blown away': the Barty blueprint behind fast-rising Aussie star Preston

Meet 18-year-old Taylah, the fighter making great progress

LINDA PEARCE
TENNIS

Taylah Preston was the second Australian female to achieve a top 10 world junior ranking.

The first? Future Wimbledon, French and Australian Open champion, Ash Barty.

When Preston last month claimed a third consecutive Australian Tennis Award as the nation's best-performed girl – this one shared with gun 15-year-old Emerson Jones – she emulated the 2010-13 treble of Barty, who would eventually win four.

And at the 2019 WTA Future Stars event in Shenzhen, China, where she was mentored by Barty's best mate Casey Dellacqua, 14-year-old Preston met one of her childhood idols and watched the then world No.1 practice up close.

"Obviously Ash is a very humble and just down-to-earth good person, and if I can do anything like what she did I'd be very happy," says Preston, who will make her grand slam singles debut this month at Melbourne Park.

"So I think she's a great role model to look up to and follow what she did, but also (I'm) creating my own journey and my own career."

Barty's retirement last March at the age of just 25, combined with knee injuries to senior pair Daria Saville and Ajla Tomljanovic, has left the host nation without a woman ranked higher than 34-year-old Arina Rodionova at 113th (the men, in contrast, boast eight in double-figures, headed by Alex de Minaur at No.12).

So, with 20-somethings such as Kim Birrell, Priscilla Hon and Destanee Aiava still seeking to fill the void, the emerging group below includes Liv Gadecki, Jones and Preston – the latter having slashed her ranking from 836th when she resumed from a back injury in April to 208th after peaking six spots higher and breaking into the national top 10.

The Perth right-hander won four ITF titles either side of her 18th birthday in October, rates her backhand as her best shot and her strengths as groundstrokes generally and her movement, aggression from the baseline and moving forward to the net.

Former Billie Jean King Cup captain and world No.8 Alicia Molik admits to being "blown away" by the 2023 progress of Preston, whom she hails as a "fighter" — and the teenager is not about to disagree.

"I'd like to think I am, yeah, definitely," Preston says, having defeated fellow wildcard Melisa Ercan in the opening round of this week's Canberra International for her first win of 2023. "I'd like to think that even if I'm down in the match I'm never fully out of it. I'll keep going until I'm actually done, like everyone shook hands and the match is over."

The reward: as the recipient of one of the first batch of wildcards distributed by Tennis Australia a month ago, Preston avoids grand slam qualifying and progresses straight to the Aus Open main draw, where the tennis equivalent of passing go means she will collect minimum prize money of $120,000.

This was all supposed to be happening a year ago.

Preston had completed a successful season on the ITF junior circuit and earned a wildcard into qualifying at the WTA tournament in Adelaide, where she was warming up for her opening match.

Until.

"I just straight away couldn't move; I just had to lay on the ground," says Preston of aggravating the back issue she had first felt in November. Perhaps more agonisingly, rest was prescribed throughout January in what, for most Aussies, is a critical and lucrative part of the year.

"Yeah, the timing was awful; I think the timing of it made it all a lot worse," she says.

"It wasn't a massive major injury, but the month it happened was one of the biggest months of the year for Aussies.

"So I still watched all of the tennis but it was definitely very very hard to watch, cos obviously I wanted to be there in Melbourne playing with everyone, and around it all."

The comeback began slowly; Preston resumed hitting in February for just 20 minutes on alternate days, before playing her first match in five months at a lowly US$15,000 ITF event in Egypt in April.

By then, her junior ranking had dipped to the point that it made more sense to start chipping away at senior level, where a 14-week trip to Europe after resuming from that five month break included a reset with coach Brad Dyer after each batch of tournaments to adjust goals as they went.

Preston's final year of school also needed to be managed through distance education and the balance of travelling, competing and studying was sometimes hard to strike.

"It wasn't easy, but I would use a lot of the time on the trains going country-to-country to do my schoolwork, or do it after training days," she says.

"At the end of playing a match I really didn't feel like doing schoolwork, so I would sort of just leave it, but I was really lucky that my teachers were super-flexible with me. So if it was due on Friday they'd give me til Sunday, so just a couple of extra days for me to be able to work on it so that I was still submitting good work."

There was plenty of learning occurring on the court, too, with a couple of ventures into WTA-level qualifying after a first Pro Tour singles title in Tunisia in May — beating four higher-ranked opponents en route — and then three more at home to finish the year, capped by the US$60,000 in Brisbane in November.

Eventually, naturally, the ambition is to win a major. "Everyone

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DANIEL POCKETT/GETTY IMAGES

The Perth right-hander has broken into the national top 10